FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Gunboat opens fire on trawler

Icelandic gunboat Aegir yesterday fired four shots across the bows and stern of the Hull trawler, Primella. One of the shots was live.

Describing the incident, the Royal Navy said that Aegir had told the trawler crew that the Icelandic Government had ordered the gunboat to hole the trawler with a view to arresting it.

A boarding party was launched at the trawler which was fishing about 500 miles from the area patrolled by British frigates, escaped.

An unarmed RAF Nimrod reconnaissance aircraft, arriving on the scene, warned Aegir of the possible consequences of its action. Back Page. Parliament, Page 15

Assad to meet Sadat in Riyadh

President Assad of Syria is to meet President Sadat of Egypt at a four-power conference—Saudi Arabia and Kuwait are the other participants—in the Saudi capital, Riyadh, during the first half of next month. The talks will aim to achieve a reconciliation between Syria and Egypt. Page 8

Blasts rip open Spanish tanker

Explosions yesterday ripped through the fully laden 59,723-ton Spanish tanker Urquiola as it ran aground on the rocks at the harbour entrance to La Coruna. Port officials feared that the captain and a harbour pilot were dead. The tanker's cargo of 10,000 tonnes of crude was reported to be spilling towards the shore.

Finnish Premier to resign

Mr. Martti Miettunen, Prime Minister of Finland, is to hand in his Centre Government's resignation to-day in face of opposition from its Communist coalition partners to purchase tax increases. Earlier story, Page

Blow for Ford

President Ford's political troubles deepened yesterday when he was comfortably defeated by Governor Ronald Reagan in the Republican primary in Nebraska. Back Page. The Stop Carter Campaign, Page 5

Press strike

Talks aimed at resolving the strike by Daily Telegraph journalists, took place last night at the London headquarters of the Advisory, Conciliation and Arbitration Service.

Bomber's lair

Scotland Yard's Anti-Terrorist Squad has found another bomb factory in London. It was in a Cricklewood bedsitting room thought to have been occupied by the wanted Provo, Brendan ...ords.

Kempe dies

Rudolf Kempe, chief conductor of the BBC Symphony Orchestra since last September, died in Switzerland yesterday. He was 65. Obituary, Page 3

Briefly . . .

The Queen and Prince Philip are to pay a State visit to Luxembourg from November 8 to 10.

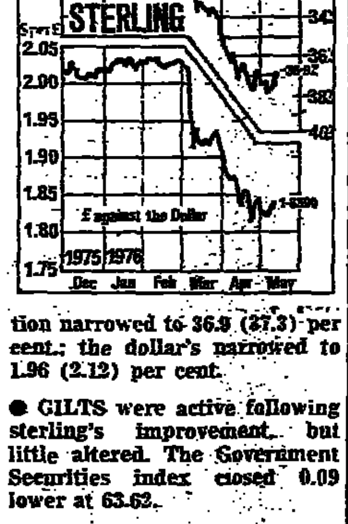
Guerilla warfare casualties along Rhodesia's eastern border in the past six days included 34 people killed, of whom 11 were guerillas and two were members of the security forces, it was stated in Salisbury.

Every cigarette shortens a smoker's life by 12 minutes, according to a Munich University report.

BUSINESS

Sterling gains further ½ cent

● STERLING continued to improve, gaining 55 points to $1.8390. Its weighted depreciation narrowed to 36.9 (37.3) per cent.; the dollar's narrowed to 1.96 (2.12) per cent.



● GILTS were active following sterling's improvement, but little altered. The Government Securities index closed 0.09 lower at 63.62.

● EQUITIES fell back, the FT 30-share index losing 4.3 to 412.9. The FT-Actuaries All-Share index fell 0.6 per cent. to 169.59.

● GOLD gained $½ to $128¼.

● WALL STREET closed 0.94 down at 1,005.67 in slack trading.

● CBI SURVEY shows most workers grossly over-estimate the level of company profits and are highly critical of management performance. Back Page and Page 10

Increase in rail fares forecast

● GOVERNMENT support for British Rail was £507m. in 1975—up £113m. on 1974. Increases in passenger fares and freight rates are inevitable. Page 10. NUR executive council will consider demands for a strike by railwaymen at the British Transport Docks Board's 19 ports. Page 13

● EEC OFFICIALS will discuss the level of imports into the Community of ball-bearings from Japan in Tokyo next month. Back Page. Japan has effectively agreed to allow safety and pollution testing in Europe for cars destined for their market. Page 4

● FINAL DRAFT of the TUC-Government agreement on pay restraint in return for tax cuts to be put to a special congress in June was approved yesterday. Back Page

● BP HAS found more oil in its Magnus Field in the North Sea, strengthening the likelihood it is a commercial prospect. Production from the Anglo-Norwegian Statfjord Field will be delayed by a year to late 1978 or early 1979. Page 10

● GOVERNMENT has abandoned the post-war growth points policy for relocating population in central Scotland with a decision to scrap the development of a new town at Stonehouse in Lanarkshire. Page 10

● HAWKER SIDDELEY plans to offer a new version of its successful HS-125 business jet, the Series 700, for delivery from mid-1977. Page 11. British Airways is adding a second weekly Concorde flight to Washington from May 29, earlier than originally planned. Page 11

COMPANIES

● CENTRAL Manufacturing and Trading Group first-half pre-tax profit fell to £1.26m. (£1.86m.). Chairman believes second-half results will be a marked improvement. Page 22

● JOHN FOLKES HEFO pre-tax profit for 1975 increased as forecast to £3.96m. (£3.55). Page 22

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Alpine Soft Drinks	115	+ 7
Barratt Devs.	104	+ 4
British Syphon	24	+ 3½
Cope Inds.	135	+ 5
Caledonian	56	+ 5
...nfood	212	+ 7
...on and Lyon	28	+ 3
Haybrook Props.	30	+ 4
...op. and Rev. "A"	173	+ 5
Smurfit (J.)	149	+ 4
Walker (C. and W.)	112	+ 5
Illingshall	210	+ 10
...M	290	+ 6

FALLS

Albright and Wilson	89	− 4
Assd. P. Cement	182	− 4
Bank of Ireland	295	− 10
...ies (E.)	26	− 4
Bats	390	− 5
Central Manf.	53	− 3
Coral (J.)	120	− 6
Costain (R.)	232	− 6
Daily Mail "A"	190	− 6
Fisons	398	− 7
GKN	328	− 6
Hawker Siddeley	482	− 8
ICI	393	− 7
MK Refrigeration	78	− 4
Matthews Wrightson	220	− 6
Ocean Wilsons	129	− 5
Rank Organisation	166	− 4
Spear and Jackson	75	− 3
Unilever	480	− 6
Weyburn Eng.	265	− 7
Ultramar	162	− 4
Anglo Amer. Gold	£22½	− ½
Blyvoor	530	− 30
FS Geduld	£14½	− 1½
Pot. Plats.	186	− 6
Pres. Steyn	830	− 45
Western Holdings	£17½	− 1½

Grimond accepts leadership—but only as caretaker

BY PHILIP RAWSTORNE

Mr. Jo Grimond, under strong pressure from Liberal MPs to rescue the party from the confusion created by Mr. Jeremy Thorpe's resignation, yesterday took over as caretaker leader.

He will hold the post for two months until the party has agreed new procedures for the election of its leader and chosen a successor.

A special one-day Liberal Assembly is to be held in Birmingham on June 12 to decide the role of the party's rank-and-file in the choice.

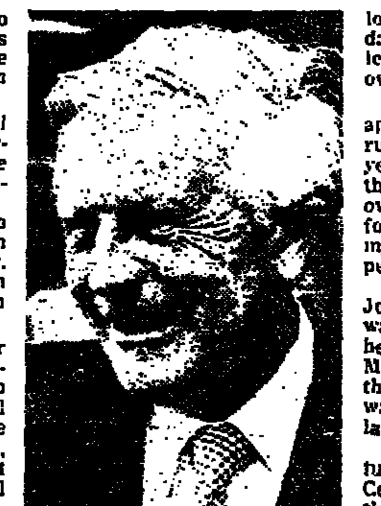
And party managers aim to complete the leadership election—in which Mr. David Steel, Mr. John Pardoe and Mr. Emlyn Hooson are likely to be the main candidates—by July 5.

Mr. Grimond, at a three-hour Commons meeting yesterday, declined the party's invitation to lead it into the next General Election. "I am too old," he said. "I have done it before. And, like heavyweight boxers, I don't think it's very easy for political leaders to come back."

Mr. Gladstone had done it—"But I am not Mr. Gladstone," he added, as his fellow MPs pressed him to accept the recall, which had been supported by Mr. Thorpe and most sections of the party.

At a Press conference later, Mr. Grimond said that whatever the party might feel now about the situation, "the thought of my mug on the telly for the next 10 years would drive it round the bend." There were perfectly satisfactory candidates available to give the Liberals a new impetus, he declared.

Mr. Grimond's refusal to be drafted for an indefinite term of office disappointed and worried Liberal MPs and party officials.



Mr. Jo Grimond: I am not Gladstone.

Considerable party wrangling is likely to take place over the extension of the leadership vote to the constituency organisations and it is by no means certain that a two-thirds majority will be secured at the Special Assembly for the proposed new procedures.

The party's morale, already low, could also suffer further damage if the struggle for the leadership succession is joined over the coming weeks.

Mr. Grimond, with the apparent support of the front-running candidates, made it clear yesterday that he hoped to pull the party together and hand it over to the eventual leader ready for a major advance. "I hope my two months will not be a period of stagnation," he said.

He saw himself as "a sort of John the Baptist" preparing the way for a younger leader; and he would discuss with Liberal MPs his ideas on the form of the party's programme and the way in which it should be launched.

There was considerable opportunity for a "party of the Centre-Left which stands for the people at large," Mr. Grimond declared. The Labour Party now represented the establishment and its social democrat members had "come to the end of the road."

Liberals should press for more devolution and project the freedom of ordinary people against the increasing bureaucracy—"this is the great issue for Liberals," he said.

Asked whether he was promoting again his ideas of a radical alternative and community politics, Mr. Grimond

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Editorial comment Page 20

Callaghan asserts right of Cabinet to set policy

BY PETER HENNESSY, LOBBY CORRESPONDENT

THE Prime Minister yesterday made it clear in a speech to the Labour arty national executive committee that the Cabinet was solely responsible for formulating government policy.

His firm stand paid handsome dividends. Mr. Callaghan won his way throughout the all-day meeting and succeeded in defeating Left-wing proposals on three key areas of economic policy — import controls, public spending and overseas investment.

In the absence of six Left-wingers, moderates defeated by seven votes to four a proposal from Mrs. Judith Hart, MP for Lanark, urging adoption of widespread import controls on manufactured goods.

Mr. Callaghan said that her motion, if accepted, would give the impression that import controls were the cornerstone of the Government's entire economic strategy and this was not so.

A motion from Mr. Walter Padley, MP for Ogmore, recommending selective import controls in limited cases, which would not provoke international retaliation, was adopted instead.

Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, led a successful move to defeat a proposal which would have added £4bn. to present estimates of public spending by 1979-80.

Also defeated was a further Left-wing move which would have required the Bank of England to buy British overseas investments and liquidate them, using the proceeds to prop up the sterling exchange rate.

In a move clearly intended to sustain overseas confidence in the Government's economic strategy, Mr. Callaghan's opening contribution to the meeting was devoted to showing that the sweeping proposals of the Left-wing dominated home policy sub-committee of the NEC could not be equated with Government policy.

"We live in a world in which discussions about long-term aspirations and policy through rumour or misrepresentation can cost the country dear and check confidence both at home and abroad," he said.

"Of course the national executive must do its work in the way it thinks right but the Government must also state its own position especially where the executive's deliberations impinge upon the immediate situation. Therefore to avoid any uncertainty at home or abroad I must make it clear that the Government's overall economic and financial strategy remains as announced by myself and the Chancellor of the Exchequer."

Mr. Callaghan outlined four areas in which the NEC document, prepared by its home policy sub-committee under the chairmanship of Mr. Anthony Wedgwood Benn, Energy Secretary, chairman of the meeting in the absence of Mr. Tom Bradley, MP for Leicester East, differed

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Details, Page 15

Govan yard wins £50m. order

BY JOHN WYLES, SHIPPING CORRESPONDENT

GOVAN SHIPBUILDERS has won orders for six cargo ships, worth around £50m., from Kuwaiti shipping interests. It is the largest single package deal involving a British shipyard for at least three years.

The deal, which removes the prospect of unemployment at the State-owned yard until the end of 1977, represents the successful outcome of negotiations which, it was claimed yesterday, stemmed from trade talks Mr. Callaghan, as Foreign Secretary, held with the Kuwaitis last November.

After several months of uncertainty, the orders were clinched in Kuwait last week-end by Mr. Archie Gilchrist, Govan's managing director and Mr. J. Graham Day, chief executive designate of British Shipbuilders, the State corporation which will run the shipbuilding industry after its nationalisation later this year.

The negotiators' success removes the bitter disappointment caused only four weeks ago by Govan's failure to win an order, also worth around £50m., and also from the Kuwaitis. Govan was beaten on price for this business from the Kuwait Shipping Company by the South Korean Hyundai yard.

Govan's tender would almost certanly have lost the yard money on those ships and there is no certainty that the package confirmed yesterday will be profitable.

However, it is a cash deal, with generous advance payments and no long-term credits. Govan management is hopeful that it will at least break even, providing inflation is reduced and productivity at the yard maintains its upward trend.

The orders should greatly reduce tension at Govan whose 5,600 workers faced redundancies from the end of the year without fresh business. "After the worries of the last three months or so, it is even more satisfying than usual to be able to announce these orders," said Mr. Gilchrist yesterday.

There was also relief yesterday at British Shipbuilders' temporary headquarters at the National Enterprise Board. Orders at Govan's two yards, formerly part of the Upper Clyde Shipbuilders group, are now broadly in line with other major yards, guaranteeing work well into 1978. The State corporation will have more breathing space to develop a strategy for the industry without any major yard facing a forseeable orders crisis next year.

The ships to be built for Kuwait shipping agencies are Govan's specially designed 23,000 deadweight tons multi-purpose cargo vessels. Some 13 of these ships have already been ordered by the separate Kuwait Shipping Company which is pooling its fleet with other Gulf states to form the United Arab Shipping Company.

Yesterday's orders are earmarked for joint ventures "with North African states and Kuwait," according to the announcement.

● The Clydeside warship specialists, Yarrows, seems certain to build a third £30m. all-missile frigate for the Royal Navy. This will mean continued employment at the yard.

The announcement that Yarrow will be asked to be sole yard tendering for the third ship was made yesterday at the launch of HMS Broadsword, the first in her class of Type-22 frigates for the Navy.

Tories set out inflation policy

BY MICHAEL BLANDEN

IN A MAJOR speech last night Sir Geoffrey Howe, Shadow Chancellor of the Exchequer, set out the Conservative approach to the controversial issues of prices and incomes policy.

The speech was seen as an effort by the Opposition to present a consistent and comprehensive alternative to the Government's pay and price restraints.

Sir Geoffrey took as his starting point the fact that the Chancellor of the Exchequer had made his Budget conditional on the acceptance by the TUC of a formal incomes policy.

"The bosses of the TUC have become the centrepiece of our economy," he said. "Their decisions will supposedly determine the future not only of wages but prices, the pound, the economic recovery and unemployment."

Sir Geoffrey argued that the present pattern of controls had "only the slenderest chance of survival for more than a short period." But he recognised that the second phase of the Government's incomes policy might have a legitimate role in the short term.

He steered a careful course between the various poles of opinion within the Tory party on counter-inflation policy. He argued, for instance, that monetary policy was "critical" but suggested that trades unions had an important role to play in developing a long-term policy for wages.

Commenting on the Government's agreement with the unions on the next phase of the wages policy, Sir Geoffrey foresaw increasing difficulties as a result of the flattening of differentials.

But he acknowledged that "the son of £6 may be playing a legitimate role in fortifying a basically monetary exit from the almost hyper-inflationary tunnel of the social contract." It could be said to have helped to reduce inflationary expectations and curb the size of the pay element in public spending, as well as in tempering the growth of unemployment.

He went on to develop his arguments against incomes policy, including the effects on the functioning of the labour market, the danger to freedom from State intervention in planning wage differentials and the practical problems involved.

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£ in New York

—	May 12	Previous
Spot	$1.8370-8320	$1.8360-8370
1 month	0.85-0.78 dis	0.86-0.82 dis
3 months	2.46-2.39 dis	2.42-2.35 dis
12 months	8.45-8.35 dis	8.45-8.35 dis

ICI issue underwritten within hours

BY RHYS DAVID AND MARGARET REID

UNDERWRITING was successfully concluded within a few hours yesterday for Imperial Chemical Industries' one-for-eight rights issue at 330p a share to raise £200m.—the largest share issue ever launched in the London market.

ICI announced the major cash-raising operation, which will help the financing of its long-term fixed and working capital needs, against a background of bright trading news.

The group, headed by Mr. Rowland Wright, disclosed that its pre-tax profits had advanced sharply to £115m. in the first quarter of this year, compared with £73m. for the same period last year and £321m. for 1975 as a whole.

A substantial rise is also foreshadowed in the rate of dividend for 1976, which is to be raised by 25 per cent. above last year's level. Permission for this increase has been given by the Treasury, which allows dividends to be lifted by more than the 10 per cent. limit to facilitate the raising of new capital.

Sub-underwriting of the issue by the underwriters, merchant banks J. Henry Schroder Wagg and S. G. Warburg, was said to have been completed with very few refusals.

In a move with few precedents, except on a few occasions in 1972, around £10m. of the underwriting was placed with a range of Continental banks and institutions, none of which is believed to have refused any of the business offered.

ICI shares last night closed 7p down at 393p, which compares with a range of 334p and 411p this year.

Borrowing

This is the first rights issue since 1961 to be made by ICI, which in the past 14 years has met three-quarters of its capital requirements from internal funds, the rest being raised by long-term borrowing.

The group's capital needs in the past two years have been £900m. A further £700m. is expected to be needed this year, including £400m. for fixed investment, £250m. for working capital requirements and a £50m. contingency provision for any further investment.

These figures take no account of ICI's share in the costs of developing the Ninian North Sea oilfield, for which it expects to put up £200m. in the five years to 1979. Discussions are on with the group's bankers with a view to raising the £100m. needed for this purpose over the next year or so.

This North Sea financing operation is likely to be by a bank credit, partly in sterling and partly in dollars or another foreign currency, on terms specially tailored to the purpose of the loan.

Total proceeds of the rights issue of 61,758,105 shares of £1 each will be £203.8m., but the net proceeds will be about £196m.

The main elements in the £7.8m. difference are underwriting commission at 2 per cent. (about £4.8m.) and £2m. of duty on the issue. Other expenses will cover certain professional fees, postage and fees to the "Big Four" banks—Barclays, National Westminster, Midland and Lloyds—which will receive and handle acceptances over nearly four weeks to June 10, the final acceptance date.

Dealings in the new shares will begin on Monday, May 17.

ICI's rights issue raises the total issues of this kind to £1,866m. since February last year, of which £1,206m. was in 1975 and £660m. this year.

Despatch of the prospectuses and circulars to ICI's 530,000 shareholders involves 18 tons of paper. To handle this volume of material, without imposing undue burdens on the Post Office, the documents are being supplied to the Post Office and posted in a phased programme over six days between Friday, May 14, and Thursday, May 20.

ICI's call for £200m. is intended to help the group maintain the strong programme of investment on which it is engaged. The group has continued to invest strongly throughout the recession of the past year so as to be able to take advantage of any upturn when it came.

The group's current major schemes include a 500,000 tonnes ethylene cracker being built jointly with BP on Teesside at a cost of £135m. for completion early next year, but the company is likely to be looking ahead to its next major ethylene complex to meet requirements in the 1980s.

These big plants, which produce the basic chemical building blocks, also have to be accompanied by substantial downstream investment. ICI itself announced a substantial new polypropylene expansion at Rozenburg in Holland last week which is expected to cost in excess of £30m.

The issue is being made at a time when, as ICI's results for the first quarter show, strong signs are beginning to emerge that the long awaited recovery in chemical demand is now under way.

Following a 9 per cent. drop in world chemical demand last year, an increase of some 11 per cent. is expected in 1976 though in the U.K. the rise in output is expected to be much lower.

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Profit rise Page 22

ON OTHER PAGES

FEATURES

For latest Share Index 'phone 01-246 8026

LOMBARD

Corruption—now for the debate

BY C. GORDON TETHER

"The revelations in the Press of corporate pay-offs to obtain business abroad continue with alarming regularity. But these disclosures are no longer new to the public which now demands answers and actions from the business community. The time has come for thoughtful consideration of the problem. What has been done is done and now the business community must get on with the task of adjusting to the new realities of doing business in a more sternly defined moral environment."

So writes the First National Bank of Chicago in an article on "Hard Questions about the New Business Ethics" in its current World Report. And it deserves a vigorous pat on the back just for calling for a public debate on the matter.

For there has been far too much of a tendency up till now for the business world to dodge the issue by behaving as though the bribes their companies had made were the product of a temporary aberration which would never occur again.

Their image

After all, as I pointed out when the extent of the traffic in bribery first began to emerge, in the absence of clear proof that the use of this method of winning orders was going to be outlawed, it would be necessary to have a major new think about the rules of the international trade liberalisation game. And there is the further point that there is everything to be said, even from the business world's point of view, for making a major effort to repair the considerable damage that the spotlighting of this darker side of the capitalist way of life has obviously inflicted on its image.

In short, however reluctant businessmen may be to admit it, there s a real need for what the Chicago bank report calls "a forthright dialogue between the business system, the people and its leaders." The big question, of course, is where it should start and what course it should take. And it is one that, it has to be admitted, does not admit of an easy answer.

Having drawn attention to the way in which the American business system had adjusted itself in the past to the waves of revulsion against such corruption as the wholesale cheating of Indians, the shooting of strikers and the running of pools on Wall Street, the bank's study tries to argue that the abuses at the centre of the present controversy are less serious in that "the perpetrators do not seem to have acted in self-interest but rather on behalf of the group—usually the corporation which they served." But this, I would have thought, was extremely dubious logic.

For it is hard to see anyone engaging in distasteful activity of this kind other than for one of two reasons. The first would be the knowledge that the result would be to bring them bigger earnings in their existing job or pave their way to promotion to a better one. The second would be an awareness that their superiors would commend their concern for the company—particularly if they had taken care to see that higher authority was not implicated in the deed.

Right lines

If one remembers that the effect of some of this bribery may have been to defeat the functioning of the democratic process, with consequences of the greatest potential importance, it could well be held to be even more deleterious than that involved in the great scandals of yesteryear—notwithstanding the fact that it may not have caused so much loss of life.

The report is surely on the right lines, however, when it argues that—if it is to be meaningful—any dialogue on where the line is to be drawn between what is acceptable and what is not in the business field will have to embrace the question of what example it is right for the State to set.

If it is appropriate for governments to influence the course of foreign politics by making payments to foreign parties on the strength of the argument that this is in the national interest, what limits should be placed on businessmen who are seeking to advance corporate interests by the same means?

However, if the outcome of the debate that must now be joined is to bring about the emergence of new standards of morality for governments as well as business, the effort will have been even more worthwhile. For, other considerations apart, there can be little doubt that there is a close connection between the decline in morality in the community at large and the tendency for governmental behaviour to fall below acceptable standards.

RACING — BY DOMINIC WIGAN

Bruni may win Yorkshire Cup

THE reappearance of *Bruni* in the Yorkshire Cup will help attract racegoers to Knavesmire to-day and it will be interesting to see if the St. Leger winner can make a winning comeback after his lay-off since the Arc.

Bruni, who was far from disgraced for a comparatively inexperienced performer at Longchamp, where he finished seventh to the Eclipse winner Star Appeal after being forced to come round the outside of the field, is reported to have been moving particularly well in recent homework and I do not intend to oppose him.

If he is to fail in his bid for a winning reappearance *Sea Anchor* probably will be the cause. Dick Hern's Alcide colt will be ideally suited by to-day's 1¾-mile trip and should relish the prevailing soft ground.

It is not often that French-trained sprinters come to Yorkshire and many racegoers will be interested to see how cross-Channel raiders Gold Nugget and Arch Sculptor fare in the Duke of York stakes.

YORK

2.00—Brave Lass
2.35—Roman Warrior**
3.05—Import*
3.35—Bruni
4.05—Fall to Pieces
4.35—Sonnenblick
5.00—Battleery*

Both may run well, but I do not intend to look beyond that remarkable five-year-old *Roman Warrior*, a neck winner from Honeyblest—who re-opposes on 2lb. worse terms here—at Thirsk three weeks ago.

Import, who put up such a game display when landing the 1975 Spillers Stewards' Cup, put up an encouraging performance on his re-appearance in the Bretby Handicap at Newmarket recently and he is my selection for the Spring handicap.

Twenty-one horses have been declared for the Irish 2,000 gns. at the Curragh on Saturday. Riding plans include Arapaho (J. Mercer), Comeran (L. Piggott), Dunmurry Boy (J. Seagrave), Free State (Pat Eddery), Patris (W. Carson) and Tampa (B. Raymond).

A French-trained colt has not won this race but Comeran, on whom Lester Piggott displaces Bill Pyers, seems sure to go to post as market leader.

SALEROOM — BY MICHAEL THOMPSON-NOEL

Jewels sparkle at Christie's

CHRISTIE'S sale of jewels yesterday totalled £265,872 — approximately 25 per cent. more than the auctioneers expected.

Only one of the 167 lots failed to find a buyer, and that was bought in at a negligible £75.

The day's top price, £40,000, was paid by Graff, the London dealer, for a pair of diamond ear pendants set with stones of 11.09 and 10.25 carats. Christie's 10 per cent. buyer's premium must be added to the purchase price.

The pre-sale estimate for these ear-rings was a conservative £20,000-£25,000.

A diamond ring set with a stone of 8.66 carats was bought privately for £36,000, and two Victorian bracelets, each composed of six diamond collets in open square frames, were bought by the London dealer S. J. Phillips for £30,000 (estimate: £15,000-£18,000).

The same firm paid £12,500 for an antique topaz and diamond collar with a pair of ear-rings. A Spanish buyer paid a total of £31,500 for three diamond bracelets.

The international market in fine jewels has bubbled over recently. At Sotheby's in Zurich, last week, a Saudi Arabian jeweller buyer paid a record £602,678 for a pink diamond—£26,051 per carat.

Among the curios on offer at Christie's yesterday was an 18-carat gold octagonal-framed Cartier wristwatch which belonged to Lord Lucan. The watch, engraved with the ironic inscription "'Lucky' God Bless Yer," was sold by order of the trustee in bankruptcy. It was bought by a Japanese buyer, Mr. Chiu, for £900.

A pair of Lord Lucan's 18-carat gold cuff links sold for £110 to Mr. William Evans of Warrington.

At Malahide Castle, Co. Dublin, the final session of Christie's

Diamond ear-rings
Fetched £40,000 at Christie's

three-day sale of property belonging to the executors of the late Lord Talbot de Malahide brought the final total to a remarkable £529,173 — the second most successful house sale of the past 20 years.

Yesterday household goods totalled £45,504 and books £35,938, including £8,000 for volumes 1-178 of *The Botanical Magazine*.

Christie's South Kensington sale of English and Continental pictures totalled £34,843.

At the Mandarin Hotel, Hong Kong, the first part of a Sotheby's sale of Chinese ceramics, jades and bronze drums produced £395,350. The bought-in percentage was 10.

A Japanese buyer paid £51,000 for a rare engraved blue-ground dragon bowl of the Chia Ching period, while a private London buyer gave £30,000 for a rare Ming red and yellow dragon jar. A purple-glaze Chun-Yao bulb bowl of the Sung dynasty fetched £17,000.

In London, Sotheby's sale of Old Master paintings brought in £185,630 (bought-in percentage: 13.1). An anonymous buyer paid £14,500 for Bernardo Strozzi's *The Assumption of the Virgin* and an Italian buyer £8,500 for *Titian's Daughter Lavinia* from the studio of Tiziano Vecellio.

Sotheby's sale of Japanese and Chinese prints, paintings and drawings and Japanese illustrated books totalled £47,384.

Robson Lowe's sale of overseas stamps amounted to £64,669: at Glendenning's, British gold coins produced £96,224, including £17,000 (slightly below estimate) for a pattern five-pounds coin, 1820 by Pistrucci.

Phillips' sale of ceramics earned £26,894, including £1,450 for a pair of Royal Worcester vases painted by Baldwyn and £760 for a George I accession wine glass.

At Bonham's watercolours produced £7,515.

TV/Radio

† Indicates programmes in black and white

BBC 1

7.05-7.55 a.m. Open University (UHF only). 9.41 For Schools, Colleges. 12.10 p.m. The 60 70 80 Show. 12.35 On the Move. 12.45 News. 1.00 Pebble Mill. 1.45 Fingerbobs. 2.00 You and Me. 2.15 For Schools, Colleges. 3.00 Tennis. Coca-Cola Bournemouth Championships of Great Britain. 3.58 Regional News (except London). 4.00 Play School. 4.25 The Mole. 4.30 Jackanory. 4.45 Blue Peter. 5.15 Boss Cat. 5.40 Paddington.

5.45 News
6.00 Nationwide
6.55 To-morrow's World
7.20 Top of the Pops
8.00 Are You Being Served?
8.20 The Burke Special
9.00 News
9.25 A Pin to See the Peepshow
10.15 Omnibus: Jacques Tati in Monsieur Hulot's Work
11.05 To-night
11.40 Weather/Regional News

All Regions as BBC-1 except at the following times:—

Wales—5.15-5.40 Bilidowcar. 6.00-6.55 Wales To-day. 6.55-7.20 Heddiw. 8.30-9.00 Blodeugerdd. 11.40 News and Weather for Wales.

Scotland—6.00-6.25 p.m. Reporting Scotland. 6.25-6.40 The Scottish Conservative Party Conference. 6.40 Join BBC-1 Nationwide. 11.40 News Summary and Weather for Scotland.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.55 Scene Around Six. 11.40 News and Weather for Northern Ireland.

England—6.00-6.55 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

6.40-7.55 a.m. Open University
11.00 Play School
4.00 p.m. Tennis: Coca-Cola Bournemouth Championships of Great Britain
5.00 Open University
7.05 The Health Show
7.29 Weather
7.30 Newsday
8.10 Worldwide
9.00 Call My Bluff
9.30 The Man Alive Report
10.20 Rhoda
10.45 Network
11.15 Newsnight
11.30-11.35 Closedown. Georgine Anderson reads 'How to Get On in Society' by John Betjeman

LONDON

9.30-10.18 a.m. Schools Programmes. 10.30 Untamed World. 11.00 Schools Programmes. 12.00 The Music Man. 12.10 p.m. Rainbow. 12.30 Money Wise. 1.00 First Report: ITN News, FT index. 1.20 Lunchtime To-day. 1.30 Couples. 2.00 Good Afternoon. 2.30 Racing from York and the Royal Windsor Horse Show. 3.55 General Hospital. 4.25 Children's Film Matinee: "Siege of the Saxons."

5.50 News from ITN
6.00 To-day
6.35 Crossroads
7.00 The Six Million Dollar Man
8.00 Man About the House
8.30 Clayhanger
9.30 This Week
10.00 News
10.30 Help
†10.35 Thursday Thriller: "No Way Out" starring Richard Widmark and Sidney Poitier.

All ITV Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Romper Room. 4.55 Spiderman. 5.20 Castaway. 6.00 About Anglia. 6.20 Arena. 7.00 Cash and Company. 10.30 Now and Then. 11.00 Comedy Hour. 11.55 The Living Word.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.25 The Lone Ranger. 4.50 Time Tunnel. 6.00 ATV Today. 7.00 The Magician. 10.30 Gardening Today. 11.00 Police Story. 11.55 Sister Joan Lewis talking about "Faith, Belief and Trust."

BORDER

†1.20 p.m. Border News. 6.00 Border News and Lookaround. 7.00 Movin' On. 10.30 Gardening Today. 11.00 Journey to the Unknown. †11.55 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 Children's Matinee: "The World of Hans Christian Andersen." 6.00 Channel News. 6.10 Wildlife Theatre. 7.00 Combat. 10.30 The Thrillseekers. 10.55 Vision USA. 11.00 Firehouse. 11.30 News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 4.25 Tarzan. 5.20 Wonder Weekly. 6.00 Grampian Today. 10.30 The Odd Couple. 11.00 Second Profile. 11.30 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 4.25 Survival. 4.50 The Flintstones. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. †6.30 Command Performance. 10.30 Shaft. 11.55 The Challenging Sea.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Tell Me Why. 4.55 Sky. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 "Hurricane," starring Larry Hagman. 10.30 Gallery. 11.00 The Late Film: "That Certain Summer," starring Hope Lange.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25-4.55 Bíc Yn Y Byd . . . ? 6.01-6.18 Y Dydd. 10.30-11.00 Treasure in Store.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Women Only. 4.25 Tarzan. 5.20 Piper and His Friends. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 10.30 Drive-In. 11.00 Late Call. 11.05 The Collaborators.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.25 Tarzan. 5.20 Mouse Warning. 5.25 Crossroads. 6.00 Day By Day. 6.35 University Challenge. 7.05 Island of Adventure. 10.30 Your Men at Westminster. 11.00 The Late Thursday Film: "Mr. Inside Mr. Outside" (TV movie). 12.20 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 4.25 Phoenix Five. 4.50 Beachcombers. 5.20 University Challenge. 6.00 Today at Six. 7.00 Emergency. 10.30 Hawaii Five-O. 11.25 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 4.25 Tarzan. 5.20 Tell Me Why?—Gordon Honeycombe. 6.00 UTV Reports. 7.00 The Big Valley. 10.30 From Glen to Glen. 11.00 What's It All About?

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 Children's Matinee: "The World of Hans Christian Andersen." 6.00 Westward Diary. 7.00 Combat. 10.30 Politics West. 11.00 Firehouse. 11.30 Westward Late News. 11.33 West Country Job Finder. 11.40 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.25 Thunderbirds. 5.20 University Challenge. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emergency. 10.30 Emmerdale Farm. 11.25 Drive-In.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m. only (also 202m. Scotland) Racing from York. 2.45 Sports Desk and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Two by Two. 7.30 Sports Desk. 7.33 David Allan's Country Club (S). 9.02 Wally Whyton invites you to enjoy "Both Sides Now" (S). 10.02 Sports Desk. 10.06 Folkweave (S). 11.02 Don Durbridge with The Late Show (1500m. only, also 202m. Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m. Stereo & VHF

‡ Medium Wave only.

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Des Pres (S). 9.45 BBC Welsh Symphony Orchestra (S). 10.55 Mozart Sonatas (S). 11.35 The King's Sisters (S). 12.10 p.m. The Cleveland Orchestra, part 1, Beethoven, Brahms (S). 1.00 News. 1.05 Concert, part 2: Mahler (S). 2.05 Swansea University Recital (S). 3.05 The Developing Musician (S). 3.50 Holmes-Welsh-Goldstone Trio, part 1 (S). 4.45 Words. . . . 4.50 Trio concert, part 2 (S). 5.25 Pied Piper (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: The Wider World. 7.30 The Art of Richard Crooks. 8.00 Live From the Royal Festival Hall, part 1. Ireland, Grieg (S). 8.45 Current Trends in Philosophy. 9.05 Concert, part 2: Shostakovich (S). 10.10 The Book of Job (S). 10.50 Keyboard Music in 18th-century England (S). 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today including 7.25 VHF Regional News. 7.45 Thought for the Day. 8.00 News and more of Today including 8.25 VHF Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 These You Have Loved. †10.00 News. †10.05 From Our Own Correspondent. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 If You Think You've Got Problems! †11.50 Sketches of Boz. 12.00 News. 12.02 p.m. You and Yours. 12.27 My Music (S). †12.55 Weather and programme news. VHF (except London and S.E.) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (2 from 2.00) including 2.00-2.02 News. †2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 3.50 Jack De Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Dad's Army. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 Any Answers? 8.00 Scandal. 8.45 Analysis: What Price Your Income? 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight: News. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only): 9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Richard Vaughan with Rush Hour. 9.00 Susie Barnes with London Live. 11.03 In Town. 12.03 p.m. David Simmons' Call In including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Sound Out. 4.32 Tony Fish with Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.05 Why We Live In London. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 As Radio 2.

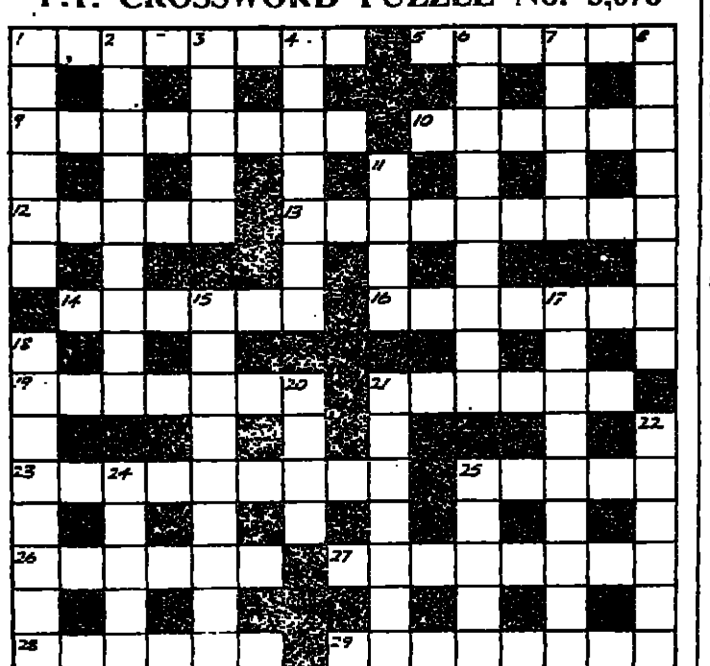
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 Jane Walmsley and Bryan Wolfe: London Today. 7.30 Adrian Love: Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 The Late Show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,078



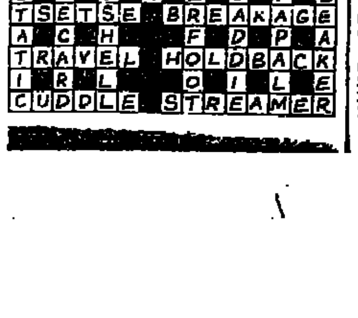
ACROSS

1 Wait aboard for the old artillery (8)
5 Hurry behind a woman's skirts (6)
9 A client I upset in a famous conspiracy (8)
10 Stress characteristic utterance (6)
12 "What fates impose, that men must —— abide" (Henry VI) (5)
13 Getting the message in naval direction (2, 3, 4)
14 With not so much to do, there is still something to learn (6)
16 Those very close are in the home (7)
19 Wealthy stock for rail travel (7)
21 Cold accommodation for a pair in an Austrian resort (6)
23 Blows his top in backstage effects (6, 3)
25 River party includes what belongs to us (5)
26 Cross, but not necessarily angry (6)
27 Innocent magistrate in Irish island (8)
28 Features birds about the artist (6)
29 The girl has a mount about ten (8)

DOWN

1 Support of inferior quality (6)
2 A strange hint to Surrey town reveals pussy's whereabouts (2, 3, 4)
3 "And threw warm —— on Madeline's fair breast" (Keats) (5)
4 Recapitulation for one in poor health (3, 4)
6 Saint accompanies relative from South Africa (5, 4)
7 You'll find me up in the subject (5)
8 Set a time for the forecast (8)
11 Oriental not up to college (4)
15 Spray gives meaning to the trip (9)
17 Outlive no strange development (9)
18 Impudence the German has for one of high rank (5, 3)
20 The silly fellow ran off from the Burmese city (4)
21 It is purgatory to deduce a refusal (7)
22 European capital that is fine in Scotland (6)
24 In the dark spot the ghost (5)
25 Crazy about the right money-order (5)

SOLUTION TO PUZZLE No. 3,077



هكذا من الأصل

yal Court Upstairs

Yesterday's News

by B. A. YOUNG

he item of yesterday's s presented by the Joint k Theatre Group is the story yet completed, as it pens) of how a contractor plied a batch of mercenary iers to fight for the FNLA Angola; how some of them e shot on the orders of a riot calling himself "Colonel an"; and how one boy Keith es, came home to his mum r he had been reported ed.

mbitious material for a 75-ute play in a tiny theatre h no wings and no flies. liam Gaskill and Max ford-Clark, the joint direc- solve the problem by show- us nothing but seven people ing in a line on chairs and ing us their individual tales. play is enthralling.

he first five characters we are Roche, the man who deals armaments and men for what- r market offers; Keith, a silly ear-old with exaggerated as of what constitutes im- tance; an even sillier teenage from the same neighbour- d in the East End; a reporter t by her paper to get an ex- ive story of Keith's return to his family; and a stockbroker whose view of the Angola conflict, indeed of the whole of African politics, is coloured by its effect on the stock market. Subsequently they are joined by former soldiers of the Parachute Regiment and the SAS who have fought in Angola.

Each speaks in turn, building up the story with the bricks of his or her own piece of it. The characterisation of the parts is brilliant, subtle and detailed; and the research involved (the work of the Group and of Jeremy Seabrook) is clearly well directed and deep. Every individual expresses only honest belief in his own viewpoint. There is no cheating to put over any message other than whatever the audience wishes to conclude.

It may be hard for many of us not to conclude that the Angolan civil war, and the involvement and conduct of Roche and his mercenaries are anything but beastly and pitiful; but those who begin with contrary views would no doubt find their notions expressed with scrupulous fairness.

This is a remarkably stimulating evening.

Keir Dullea and Lee Remick in 'Bus Stop,' which opened last night at the Phoenix Theatre

Leonard Burt

Purcell Room

Falla and Esplá

by RONALD CRICHTON

When a festival year after year offers as much as the EBF and when artists are prepared to devote time to learning unfamiliar music for modest rewards, it seems churlish to scrape Beckmesser's slate. But even if Tuesday's Purcell Room concert was merely an exception to prove the rule, something must be said about the ways in which it fell below standard. The recital in question was devoted to Falla (the last of this festival's centenary tributes) and to Esplá, the Nestor of Spanish composers, who died earlier this year. The artists were the soprano Ana Raquel Satre and the pianist Alexander Abercrombie.

Mr. Abercrombie is known as an interesting, lively interpreter of contemporary music. In Falla's Four Spanish Pieces and Fantasia baetica he seemed stylistically at sea, playing with warm heart but hot head, using too much rhythmic licence and far too much pedal. Intensity in this music must be won by playing the notes, not playing about with them. Unlike Albeniz, Falla was meticulous in his demands. Albeniz put more on the printed page than anyone (himself apparently included) could ever take off it; Falla noted down precisely what he wanted. He was a musical draughtsman with a line as firm as Picasso's. Mr. Abercrombie made him an English water-colourist with a touch of the sun.

One must respect a player who has a definite view and can expound it, but it goes against the nature of this music to keep rushing ahead (Mr. Abercrombie's piano breaks in the "Jota" from the Seven Spanish Folksongs were like a charging bull in a film cartoon) and to smudge passages written for clarity with sticky pedalling, as he did in the lovely last page of "Andaluza" and the intermezzo of the Fantasia, whose point lies in the bareness of the two-part writing. In Esplá's Sonata española he was more at home. Esplá's writing is hazier in detail than Falla's yet generous with expressive possibilities. The slow, quiet opening was especially well controlled.

The singer was clearly out of sorts, often under the note and not always reliable about entries. A pity, since an appealing voice and striking presence consequently went for little in spite of a deal of platform acting. Miss Satre sang three of Esplá's Canciones playeras (it hermea's songs), which are attractive, and two of Falla's neglected Gautier songs (a pity to leave out the first) as well as the Seven Spanish Folksongs. At least no one could say these last were dull. If only Falla's Harpsichord Concerto the previous evening had been given with some of the all-out attack heard on Monday, and if only the piano smaller works could have had some of Trevor Pinnock's accuracy and immaculate rhythm!

eenwood

Les Diablogues

by GARRY O'CONNOR

he last French import at the eenwood is this charming set duologues, by Roland Dubil- d. They began life as radio ys, then were screened on evision, and now have ended ng amiably played in front of faded green cloth full of guely scrawled nostalgic sug- stion. The performers, Claude eplu and Philippe Laudenbach, ve only one or two props to ndle, and even less furniture sit upon and move around.

The style of the dozen or so etches begins, on the whole, th a fairly concrete idea, such the two men playing ping- ng, and then moves into the intly absurd, in this case a scussion as to whether sea- rses resemble ordinary horses. nother shows us the pair rdering from a menu in a urkish restaurant dishes such as Les Turqueries farcies a la Grecque, and other absurdities, none of them very devastating but requiring a light touch which if successful, makes the interchanges come alive with humour. Another, one of a number which have music as their motif, has them attempting to improvise by candlelight; again, nothing much to describe, but the rhythm and play of sounds can be entertaining.

Dubillard's chief verbal delight is his use of the pun, which, as Billetdoux rightly notes in the programme, is primarily a musical and not a dictionary form of invention. The evening's best is undoubtedly in some persiflage where a performance is described as fourmis-diable. The pun is pursued, gently tossed about. Where, in devils, would ants be located? Such easily followed and inconsequential relaxation is excellently served by M. Laudenbach and M. Pieplu—the latter with a unique and high, soft, pattering voice. The counterpoint of sounds and gestures tailing off into abstractions makes a fitting end to the season.

Book Reviews are on Page 32

estival Hall

RPO by MAX LOPPERT

The direction of the Royal ilharmonic Orchestra contri- ition to the Festival Hall Silver bilee series on Tuesday was ared between Charles Groves d Antal Dorati, with Arthur binstein as honoured and rmly welcomed soloist in the umann Piano Concerto. The formance, under Sir Charles's urteous and vigilant eye, was truth not one of those marvel- s Rubinstein celebrations of umann melody, each quest- and questioning turn-of- ase shaped with utmost llow affection — because on s occasion human fallibility s apt to obtrude more fre- ently than was good for the pe of those phrases. Whole tions had one suddenly sitting aware of a sudden bottom- he-notes richness to the piano ture; but the willingness to de and caress was often sed at just that point when st pleasurably and confidently ected.

t was, even so, the high point of an otherwise low-temperature concert, which began with Vaughan Williams' penitentially tedious Ninth Symphony under Groves and ended with the Bartok Concerto for Orchestra, played rudely though often with a certain invigorating energy under Dorati. Hardly a Silver Jubilee event, though. Was there no chance of the orchestra (or indeed any of the other non-BBC orchestras) including in its concert music by a living composer under 50? Or was there active discouragement from the series' organisers? One of the RPO's few causes to celebrate its Festival Hall concerts of the last decade was provided by its sponsorship, and first performance of Birtwistle's The Triumph of Time several years ago. This might have been the occasion for a repeat—one felt the need of some testimony, given so much only moderately good orchestral playing throughout the evening, that the RPO is not one of the luxuries London music can no longer afford.

HE
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Record review

For curious Eares

by PAUL GRIFFITHS

Gibbons Madrigals and Motets 1612: The Consort of Musicke/ Anthony Rooley Oiseau-Lyre DSLO 512 (£3.25)

Gibbons Keyboard music: Christopher Hogwood Oiseau-Lyre DSLO 515 (£3.25)

Music at Magdalen: Early English Music: Magdalen College Choir/Bernard Rose Argo ZRG 846 (£3.25)

Purcell Verse anthems: Lynton Atkinson, Paul Esswood, Ian Partridge, Antony Dawson, Stafford Dean, Choir of St. John's College, Cambridge/ George Guest Argo ZRG 831 (£3.25)

Purcell Birthday odes for Queen Mary: Norma Burrowes, James Bowman, Charles Brett, Robert Lloyd. The Early Music Consort/David Munrow EMI ASD 3166 (£3.20)

Scarlatti Sonatas: Richard Lester Sutton Sound SSLP 109 (£3.25)

Bach's Trumpet: Don Smithers, Clarion Consort Philips 6500 925 (£3.10)

[1] I take my title from Orlando Gibbons' dedicatory praise of his patron's discrimination in his volume of madrigals, the whole of which is recorded on The Consort of Musicke's disc. Sir Christopher Hatton (a cousin of Elizabeth's chancellor) must indeed have been a man of taste if he preferred these pieces to the frolicsome gambols of most madrigalists. Gibbons was rarely concerned with pastoral pleasures, classical allusions and amorous conceits; the verses he chose treat of morals and mortality, and he brought to them a sovereign skill, able to dispense with pretty word-painting for musical distinction and a deep exploration of poetic sense. His madrigals are generally sombre, earnest and stately, but not at all pompous.

Anthony Rooley's restrained, even direction is admirably suited to such music. Most of the pieces are sung by five well-balanced soloists, but in some Gibbons' instruction "apt for viols and voyces" is taken to allow performance by one or two singers and strings. This works marvellously in The Silver Swan, sung by Emma Kirkby, whose pure soprano is a constant delight on this record. In other numbers the vocal entries appear arbitrary when words are missing from some of the parts. The sudden introduction of a "chorus" in the superb setting of Raleigh's What is our life? is effective, but a little over-dramatic for so just and earnest a poetic exposition. On the whole, however—and the wholeness of Gibbons' compilation is obviously important to Rooley—this is an excellent record.

Selections from the same composer's keyboard works are offered by Christopher Hogwood on another Oiseau-Lyre Florilegium disc. Gibbons as a keyboard artist, "the best Finger of that Age," had all the seriousness of the madrigalist, but a greater willingness to throw off the occasional simple piece or encrust his music, though rarely, with clusters of brilliants. The Queen's Command, which Hogwood plays on both a spinet (the one in the Victoria and Albert Museum known as "Queen Elizabeth's Virginals") and a harpsichord of 1634, exemplifies Gibbons' lighter style and his rushes of wild fancy, but the programme's emphasis is on graver music. Some ingeniously worked fantasias are played on a lovely organ of 1708, and there are three moving pavans, elegiac yet aloof, and so unlike the Lachrymae of Dowland to which they all refer. This is a treasure store of a record, stylishly played and, like the companion madrigal volume, fully backed with information.

Leaping back a century, the latest "Music at Magdalen" issue presents works written by composers who were attached to the college under the first two Tudors. This is not the greatest music of the period. Thomas Appleby's Magnificat is pale and plain beside Taverner's, and the two antiphons by John Mason are a bit ordinary, even when one has discovered the intricacies beneath their smooth flow. Richard Davy's Ah, mine heart, however, is an intense expression of the penitential feeling characteristic of English poetry and music at that time. All of these pieces are nicely sung by a small chorus, and Ian Crabbe contributes a fanciful organ antiphon by Thomas Preston.

Colleagues at St. John's College, Cambridge, provide five verse anthems by Purcell, who in these works crowns a tradition which had begun with his distant predecessor as organist of Westminster Abbey, Orlando Gibbons. The group includes both grand, festive pieces and music of inward quietness and strength, yet to some extent these qualities are blurred by the rotund piety, the rather Anglican tone of the performances. A churchy acoustic (St. John's College Chapel) is no aid to resilience, but if George Guest had brought a shade more sprightliness to his rhythms and the singers had given more attention to their words, this recording might have come closer to Purcell's verve. Also, the solo team is sometimes set off balance by the frailness of the treble. Despite these deficiences, however, the record is well worth attention for the power and variety of Purcell's royal church music.

More glamorous, more exciting and more right-sounding recordings of Purcell are contained in the Early Music Consort disc. Of course, the the birthday odes for Mary II are livelier pieces than the verse anthems, but the different feeling on this record is also attributable to the use of antique or reproduction instruments and a neat, small chorus, to the forthright, dancing direction of David Munrow and to the excellence of the soloists, particularly Norma Burrowes and Robert Lloyd. Come ye Sons of Art is a familiar work, but not in so vivid, little yet triumphant an account as this, where the choruses gain in grandeur for their alertness and the countertenor duet "Sound the trumpet" is finely rung out by James Bowman and Charles Brett. The other ode, Love's Goddess Sure is much less ceremonially effusive, with an unusually elegant text by Sedley set to music of appropriate finesse.

Finally, two records of works by composers born in the year when Purcell was preparing music for the coronation of James II, Scarlatti and Bach. Both discs are of special interest for their new approaches to authenticity. Richard Lester plays Scarlatti sonatas on a harpsichord voiced in goose and swan quills rather than the modern substitutes in almost ubiquitous use at present ("more geese than swans now live, more fools than wise," to quote Gibbons' Silver Swan). The result is a sound which is rich and ringing, much less crustacean in character than we are accustomed to; though the fine instrument must have had some part in this, and also the acoustic of the Octagon at Orleans House, Twickenham, where the recording was made. With a varied choice of pieces played wonderfully well, this is a rewarding issue from a small company. In the event of difficulty the record may be obtained from Sutton Sound at 80, Queensway, London, W2.

The Bach disc is rather more experimental. It centres on the figure of Gottfried Reiche, who was Bach's trumpeter in Leipzig and whose instrument, as it appears in a contemporary portrait, has served as the model for the clarino trumpets on which are played three chorale settings by Bach and a solo fanfare by Reiche himself. But the record also includes other Bach arrangements played on modern trumpets, and even on a cornetto, as well as pieces played on the organ which elsewhere accompanies; Baroque strings, too, make occasional appearances. The clarino trumpets are piercingly bright, almost stinging the ear, though they serve well in the celebratory flourishes given them here. Modern trumpets and the cornetto are much better suited to the slow solos which Don Smithers plays so expertly, but it is a matter for debate by the curious.

Wigmore Hall

Ruth Schontal

by PAUL GRIFFITHS

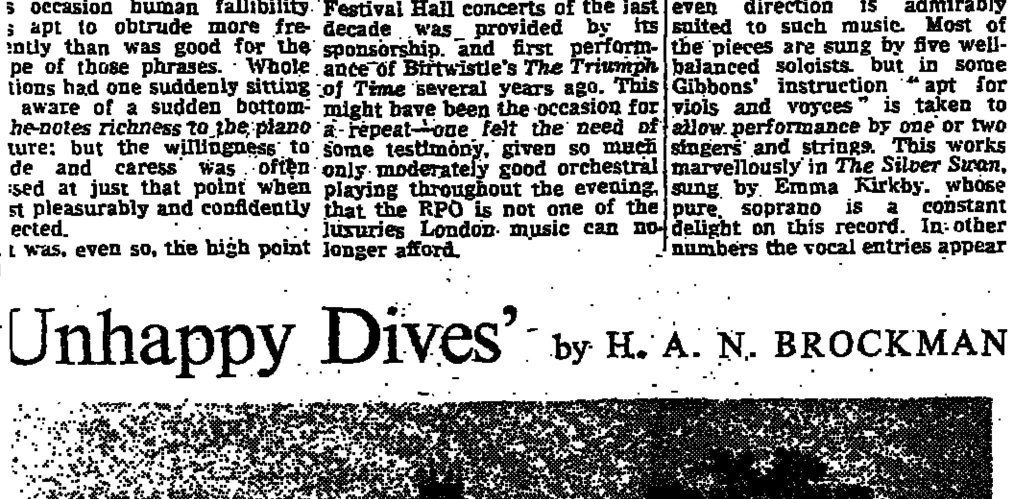
About Miss Schontal I can offer only the information contained in the programme for Tuesday's recital of her compositions, that she was born in Hamburg, that she travelled widely and studied widely before settling in America, and that she was a prizewinner in the Triannual Delta Omicron International Contest for string quartets. Other than that, the evening proved that she is a solid pianist and a composer of, I am sure, genuine feeling and conscientious application, but limited talent.

The performance began unpromisingly with her Sonata concertante for viola and piano, in which the scratchy playing of Bernhard Seckel dissipated the force of her accompaniment. However, something more than a virtuoso account would have been required to show the piece as anything more than a ramble in a dismal tonal style, lacking in good ideas and consistent movement. Miss Schontal's advocacy of her solo Sonata breve did little to redeem the situation, and the first half ended disastrously with a song cycle, Totengesänge, to her own words. The obvious example of Mussorgsky was nowhere approached: the accompaniments were restricted to a few stock patterns, sometimes gabbling on purposelessly; and Josephine Nendick's voice fell much too often into an inelegant hoot.

After the interval things could only improve, and they did. A second song cycle, From "By the Roadside" to fragments of Whitman, was a good deal more successful, perhaps partly because it was so short, but also because Miette Williams sang it as if it were meant to give pleasure. The real surprise, however, came in Miss Schontal's performance of her Nachklänge for piano. This work, as she explained, was intended as a nostalgic lament for the reversal and destruction of German cultural values under Hitler. The piano, liberally supplied with foreign bodies on the strings, is made into a skeleton instrument, producing sounds that grate, shiver and reverberate madly. A broken shadow was all that remained of the Bachian sketches and other impressions in this painfully personal piece.

At the end of the concert Miss Schontal showed that she has the knack of improvising pastiche. Her chorale prelude after Bach, on a four-note theme supplied by a member of the audience, was deft, albeit assisted by prepared gambits. Then, in responding to a demand for pseudo-Stockhausen on the same resolutely tonal motif, she did as well as could possibly have been expected.

'Unhappy Dives' by H. A. N. BROCKMAN



Fonthill Abbey (lithograph).

Villiam Beckford of Fonthill Bath, "Unhappy Dives" as rold Nicolson dubbed him, recently been commemo- ed by a small but concentrated ibition in the Library at Salis- y. Although this closes on y 15 it is to open again at the toria Gallery in Bath on May where it will remain until e 12 and where it should be n by all interested in the kground of Fonthill Beckford. he organiser, Miss Diana th Neal, has managed to bring ether an amazing collection portraits, landscapes, letters, niture and objects d'art, ged and borrowed from in- iduals and public museums and institutes throughout the British Isles. Some ornaments, furniture and paintings can actually be seen in the positions they occupied at th eAbbey in the contemporary prints which line the exhibition walls. It is all very well arranged with some nice Gothic touches in the pointed arched openings leading to the various parts of the display. A particularly outstanding exhibit, among many others, is the large and dramatic watercolour by Turner of a distant Fonthill seen through an atmosphere haze lent by the British Museum.

The whole conjures up a complete picture of this strange and talented man whose utter social ostracism on account of his homosexuality turned him into a recluse, but gave to the world some of the most vivid travel diaries ever written. Of his collection of pictures 20 are now in the National Gallery, among them Bellini's Doge Loredan.

Beckford is a "specialised subject" but interest in his remarkable life-story and the great abbey at Fonthill and his later Lansdown Tower at Bath is receiving a growing attention.

This exhibition must stimulate many to explore this eccentric man's world of phantasy and cynicism.

Rudolf Kempe dies

Rudolf Kempe, the chief conductor of the BBC Symphony Orchestra since September of last year, died yesterday in Switzerland. He was 65. He had been ill for some time and had lately had to cancel several concerts.

Kempe was born near Dresden in 1910, and studied piano, violin and oboe. In 1929 he was chief oboist of the Dortmund Opera orchestra. He stayed with that company for seven years, becoming also a repetiteur. In 1935 he made his debut as a conductor, and from 1942-48 he was musical director of the opera at Chemnitz, moving on in 1949 to Dresden.

Later he became musical director at Munich; while he was with this company he made his first appearance at Covent Garden. In 1963 he became principal conductor of the Royal Philharmonic Orchestra, a post he held for 12 years, until he took over the BBC orchestra from Pierre Boulez.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

WORLD TRADE NEWS

EEC bearings industry claims unfair competition from Japan

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE COMMON Market bearings manufacturers in a joint approach to the Commission in Brussels are asking for urgent action to be taken to protect them from the Japanese industry which they claim is following pricing policies aimed at "ruining and displacing competitors in world markets."

In a memorandum to be presented to the Commission tomorrow trade associations from the U.K., France, Germany and Italy claim that not only are jobs at stake but also a highly strategic industry — everything that rolls, flies, floats or fires is dependent on bearings — is at risk.

The claim is that the Japanese have gained market shares by a deliberate policy of pricing below the European manufacturers come what may. Japanese bearings are commonly sold at prices 25 to 40 per cent. below the European market price, a level which sometimes does not even cover the material costs of European manufacturers.

The European manufacturers fear that the Japanese are determined to capture a large chunk of an industry which is an important supplier to the rest of engineering and that they are being supported in this aim by the big banks which control most of Japanese industrial companies.

The claim is that, in spite of the recession, Japanese stocks of bearings world-wide have been built up dramatically; that, in spite of over-capacity in the industry the Japanese are setting up more plants around the world and that Japanese prices have been kept rigidly below the steady upward revaluation of the yen.

In the U.K. alone the increase in Japanese bearing imports has meant that there are probably 2,000 fewer employees in the industry than would have been the case had Japanese imports remained at the 1969 level.

An increase in the Japanese market share this year comparable with that of 1975 would put another 750 jobs at risk at a time when the U.K. industry is laying off employees and has several factories working short-time.

The manufacturers' memorandum points out that the EEC market for rolling bearings has increased by 33 per cent. since 1968 but imports of Japanese bearings shot up by 270 per cent. This pushed up the Japanese market share from 3.3 per cent. to 9.3 per cent.

But most Japanese bearing exports to Europe have so far concentrated on supplying high volume bearing types and sizes which form the base load carrying the larger part of the overheads for the bigger manufacturers. For many of the smaller manufacturers they are the main basis of their existence.

So it is the high-volume ball bearings sector which illustrates the impact of the Japanese in Europe most dramatically. While the market has grown by 27 per cent. since 1968, Japanese imports have jumped 216 per cent., pushing up market share from 7 per cent. to 17.4 per cent. In addition, another 1.5 per cent. of the market is represented by ball bearings assembled from Japanese parts by a Japanese company in Europe—taking the total to 18.9 per cent.

The memorandum will also point to the increasing imports from the Comecon countries and the immense new capacities now coming on stream from Japanese-built factories in East European countries. These plants are to be paid for in part by the export of bearings for hard currency and exports from them have already appeared on the EEC market, some with Japanese trade marks.

The European manufacturers complain that the unfair Japanese competition, and that which is developing from the State companies, will force them to reduce the full range of bearings and technical services they currently provide. This would not only lead to a reduction of investment, but also to a substantial contraction in employment in the bearings industry and a growing dependence of European industry at large on supplies from Japan and the East Bloc countries.

In the U.K., for example, the Japanese are virtually the sole suppliers of bearings to makers of smaller electric motors because domestic manufacturers have been forced out.

The manufacturers also point out in their memorandum that the Japanese industry persists in keeping trade in bearings a one-way flow: EEC exports to Japan in 1968 were 303 tonnes against imports from Japan of 5,445 tonnes. Last year EEC exports to Japan were only … tonnes while imports were 20,190 tonnes.

This is achieved, the manufacturers claim, because the major Japanese companies operate manufacturing and export cartel arrangements authorised by the Ministry of International Trade and Industry—of a type which are outlawed in Western Europe and North America under anti-trust arrangements.

There have been previous approaches to the Commission by the French, German and Italian industries asking for protection from the Japanese bearing manufacturers but this is the first time the whole of the European industry has been involved in a protest.

The European manufacturers have not put forward any suggestions about what measures they would like the Commission to take because Japanese expansionist policies are not confined solely to the bearings industry.

The manufacturers feel that this time something will be done to protect them but that the measures will probably come as part of a "package" after talks between the Commission and the Japanese Government covering a variety of trading problems.

Agreement on car testing

BY PETER DUMINY

TOKYO, May 12

JAPAN HAS agreed to abolish some administrative barriers hindering importation of European cars, it was announced to-day after three days of technical talks between an EEC mission and Japanese Government officials.

The most important breakthrough is virtual agreement by the Japanese that testing of European cars for safety and anti-pollution standards will be transferred to Europe from next April onwards. This would end the often-costly procedure of shipping cars to Japan only to find they do not satisfy Japanese inspections and have to be returned to Europe for modification.

Details have to be firmed up. But the leader of the EEC mission, Mr. Horst Krenzler, outlined a two-part programme at a Press conference this afternoon, adding that "we have the clear impression that the Japanese side is willing and able to implement these arrangements."

In the first place, Japan has agreed in principle that all objective (so-called quantifiable) tests should in future be entrusted to testing authorities in Europe. A Japanese team will be sent to Europe soon to visit test sites and laboratories and satisfy itself that these are adequate for the purpose. A list of the tests has already been handed over.

Secondly, and in respect of "non-quantifiable" tests, which depend on the judgement of the inspector, the Japanese have undertaken to make efforts to send their inspectors to Europe as from next year, in the same way that European inspectors now come to Japan to test Japanese models before shipment.

Mr. Krenzler said it was made clear to the Japanese that this has to be seen as a single package: it would serve no purpose to have some tests done in Europe and some in Japan. It was envisaged that model ranges would be approved in future, not individual vehicles as at present. All proposals were based on the principle of reciprocity.

Flanking proposals would permit Europe to substitute its own standards and specifications where the Japanese agree these are at least as stringent as their own. It is believed 10 or more have already been approved for this purpose.

The Japanese were also urged to reduce the number of non-quantifiable standards. Mr. Krenzler gave as an example the safety regulation that "the steering column should not be dangerous to the driver," which in Europe is covered by objective standards.

Other results of the meeting include agreement on improved flows of information about forthcoming regulations and amendments, and confirmation that European car makers are invited to participate in industry hearings which are about to be held on clean-air standards to apply from 1978.

The 1978 standards could conceivably shut out many imports but Mr. Krenzler said it would be premature to discuss them until after the hearings. At that stage more representations may be called for. The present mission has been encouraged by the Ministry of International Trade and Industry's target of an 8 to 9 per cent. market share for imports by 1980, against under 2 per cent. now.

In addition to MITI, the Japanese were represented by the officials of the Foreign and Transport Ministries and of the Environment Agency.

The EEC will follow up the tentative agreements at a higher level in the next month, according to Mr. Krenzler, who is himself the top official dealing with the Far East in the European Commission. The Commissioner for Internal Markets, Mr. Finn Olav Gundelach, will visit Tokyo at the beginning of next month and regular bilateral consultations at Ministerial level will follow on June 10-11.

U.S. still hopes to avoid imposing special steels quotas

BY DAVID CURRY

BRUSSELS, May 12

MR. FREDERICK DENT, the American special trade negotiator, asserted strongly here to-day that the U.S. was still committed to seeking an Orderly Marketing Arrangement (OMA) with its major suppliers of special steels and had not resigned itself to having to impose quotas in June.

He said that he still hoped that he might persuade the Common Market to negotiate an agreement, despite the repeated Community statements that it doubted whether the powers existed for the negotiation of an EEC-wide deal.

The special steel issue is the big outstanding conflict between the U.S. and the EEC. President Ford has said that if he does not get an Orderly Marketing Arrangement by June 14 he will impose quotas.

Mr. Dent commented that the 45 per cent. production cut in the U.S. industry last year and the 25 per cent. reduction in workforce constituted damage to the domestic industry at a time when foreign shipments were increasing. Although the Community's own exports were expanding, the rules of GATT obliged the U.S. to act against all suppliers rather than single out individual sinners, he commented.

He denied the familiar interpretation of the American Trade Act as a protectionist measure and said that recent U.S. actions on outstanding trade issues including cheese (countervailing duties waived pending Tokyo round talks); steel (rejection of claim for countervailing duties on VAT remissions); … (subsidies to the domestic industry rather than import curbs) and cars (dumping charges dropped pending pricing assurances from suppliers) proved the U.S. commitment to liberal and expansionist policies.

U.K. in Romanian talks

BY LORNE BARLING

THE PROSPECT of sales of British steel plantmaking equipment to Romania, which is rapidly expanding its steel industry in the next five years, is expected to be given added impetus during a new round of talks next week.

It is hoped that a draft protocol, drawn up during a visit by industrialists earlier this year, will be signed during the visit of Mr. Neculae Agachi, the Romanian Minister for Metallurgy. The protocol covers a broad area of possible co-operation.

Romania, which now produces around 9m. tonnes of steel a year, intends to expand this to around 19m. tonnes during its current five-year plan. The cost is expected to exceed £100m. and much of the equipment will be bought abroad.

The protocol, between the Ministry and the British Metalworking Plantmakers' Association, covers a framework for possible sales and the industry is confident that firm contracts will emerge.

It is felt that the political climate between the two countries is extremely favourable to an increased level of trade, although it is known that other Western countries have been involved in discussions.

The British Steel Corporation has been actively engaged in the discussions so far, although its role is seen as advisory in most respects.

Union may seek board seats at Chrysler U.S.

BY STEWART FLEMING NEW YORK, May 12.

LEONARD WOODCOCK, ...sident of the United Auto ...rkers union, said to-day that the union's forthcoming wage ...otiations with the car indus- ... it would raise the issue of ...ployee representation on the ...ard of Chrysler.

...peaking in Germany, Mr. ...odcock drew attention to the ...ent announcement which the ...on made to union delegates ... a meeting in Detroit last week. ... noted that Chrysler U.K., the ...tish subsidiary of Chrysler, ... proposed that two worker ...resentatives sit on the Board ... the U.K. subsidiary as part ... a system of increased worker ...ticipation in corporate affairs. ... added that the possibility of ... similar system for the U.S. ...ent company will come up in ...nection with the negotiations ... a new wage contract which ... expected to begin here in ...y.

...eactions to the UAW policy ...tement outside the motor ...ustry have been sceptical. ...ny observers note that while ...s is probably the first time for many years that the idea of Boardroom representation has been seriously canvassed in the context of the wage negotiations with a leading manufacturer of cars, it is unlikely to prove to be a fundamental demand.

One observer noted that it is a relatively new concept and that the UAW is probably trying to get workers used to it. He added that it is a useful demand from a negotiating point of view since it is "a pretty big club to hit Chrysler on the head with." But it is also an issue which can easily be dropped without angering union members.

A spokesman for the UAW, however, said to-day that Boardroom representation could prove to be "a strikeable issue" particularly because Mr. Woodcock had made it clear that it was the Chrysler management which had raised the subject in the U.K.

The spokesman pointed out that Mr. Woodock had told delegates that the management of Chrysler had made some very bad decisions last year and had been prevented from making others partly by the union.

New rules aim to boost strip mining

BY DAVID BELL WASHINGTON, May 12.

...IE U.S. Interior Department ...oved last night to issue a new ...t of rules designe dto stimulate ...e strip mining of the vast coal ...serves in the western States of ...merica.

These reserves are mostly on ...ivate land but the federal Gov...nment has retained mineral ...ghts which it now proposes to ...ercise in an effort to increase ...pen cast U.S. coal production ...om its present level of 32m. ...ns a year to 305m. tons a year ...y 1985.

Mr. Thomas Kleppe, the ...terior Secretary, promised that ...e "federal coal" will be mined ... an environmentally sound ...anner, by minimising pollution ...nd that the land would be ...estored to its "approximate ...riginal contours and vegeta...ion." But coal industry promptly ...ttacked the new rules as too ...trict and the environmentalists ...enounced them as much too ...veak.

The new emphasis on the need ... exploit the reserves of coal comes as imports of foreign oil are rising sharply to fuel the American economic recovery. Mr. Kleppe noted that it was very important for the United States to exploit its own indigenous resources so that it was not at the mercy of foreign energy producers.

This is not likely, however, to impress a number of Congressmen who have been working hard for a Federal strip mining Bill which would regulate once and for all the mining of the millions of acres that could eventually be affected. The Bill's supporters have also stressed the need to protect the interests of the people who own the land. They are also profoundly disturbed by the new interest in strip mining.

The coal industry, however, claims that it is well aware of the need to preserve the existing environment but that the new rules are unnecessarily restrictive and likely to provide a major dis-incentive to development of the reserves.

Another Hughes 'will'

BY JAY PALMER NEW YORK, May 12.

...HE MYSTERIES surrounding ...oward Hughes have, if any...hing deepened in the five weeks ...ince the billionaire recluse's ...eath. A few days ago, a Nevada ...ounty court received through ...e mail yet another will ...llegedly written by the eccen...ic industrialist, distributing his ...puted personal fortune of up ... $2½bn.

This new will is seemingly a ...ore recent testament than the ...e that mysteriously appeared ... few weeks ago on the 25th ...oor of the Mormon Church's ...eadquarters in Salt Lake City. ...ut like that one, this latest ...andwritten document is full of ...uzzling contradictions that ...ould, and almost certainly will, ...rm the basis of legal chal...nges.

Apparently dated June 1969, ...e Clarke County will names ...e Summa Corporation, Mr. Hughes' personal holding company, as sole executor of his estate. Unfortunately Summa was not formed as a holding company until December 1972.

The will divides the estate primarily between Mr. Hughes' "blood relatives," the Florida Hughes Medical Institute and various universities around America. It also leaves money to "ten living American individuals" identified only by their social security numbers as well as blind and homeless children.

Summa executives, who are continuing to manage the day-to-day affairs of Hughes' companies, have claimed that this new will is as much a fraud as the first one. Meanwhile, lawyers for various interested parties are continuing their nationwide search for an authentic will that could withstand the legal battles ahead.

Venezuelan GDP rises

BY JOSEPH MANN CARACAS, May 12.

...ENEZUELA'S GROSS Domestic ...oduct (GDP) last year ...ached $15.3bn., up slightly ...om $14.4bn. for 1974, and ...ew during 1975 at an overall ...te of 6.6 per cent., accord...g to statistics released by the ...overnment.

The Government figures sug...st that the Venezuelan ...onomy, although expanding ...gularly, has not yet begun ... feel the full multiplier effect ... multi-billion dollar official ...vestments made since the ...ministration of President ...arlos Andres Peres took office ... 1974. The Peres Government ...as projected a $54bn. spending ...ogramme for 1976-80, of which ...24.4bn. is to be applied to ...pital investments.

This South American oil producer's GDP for 1973 and 1974 showed growth rates of 5.9 per cent. and 5.1 per cent., respectively. Gross domestic product, the measure of economic movement used here, differs from Gross National Product in that it includes the effects of both domestic and foreign capital on the national economy.

Petroleum activities, the most important sector of the Venezuelan economy, last year registered a negative factor of 16.2 per cent., thus continuing the Government's attempts to de-emphasise petroleum exports and strengthen other aspects of the economy. Non-petroleum facets of the economy showed a growth rate of 10.6 per cent. for 1975, up from 8.5 per cent. in 1974 and 5.9 per cent. the previous year.

More violence in Jamaica

...ixty-three people died in political ...olence in Jamaica in the first ...our months of this year and nine ...ere killed during the past week, ...ccording to officials quoted by ...euter in Kingston. Police said ...e latest victims were a taxi ...river, a former jockey and a ...-year-old boy. The boy was ...ot in the yard of his home by ...ur gunmen.

The latest violence began when ...e Government ordered the ...emolition of condemned ...nement houses in the city ...entre. Some tenants ignored ...otice to quit and attacked demo...ion teams, and six tenements ...ere destroyed by petrol bombs.

Concorde attacked

...n environmental group has ...sked the U.S. Civil Aeronautics ...oard (CAB) to order two air...nes—British Airways and Air ...rance — to stop claiming that ...oncorde can eleminate "jet lag" ...ecause of its great speed, AP-DJ ...eports from Washington. The ...nvironmental Defence Fund contends that Concorde would in fact increase jet lag since it traverses time zones more quickly.

Higher charges for housing and price increases resulting from provincial budget measures pushed the Canadian cost of living higher in April, Statistics Canada has said, AP-DJ reports. The agency said that the consumer price index rose by 0.4 per cent. last month, the same percentage increase as in March.

U.S. budget vote

THE U.S. Senate approved an increased budget of $413.3bn. for the 1977 financial year, possibly depriving President Ford of the chance he wanted to cut taxes, Reuter reports from Washington. The proposed Government spending total was $18.1bn. more than Mr. Ford had set as a budget limit. The issue now goes to the lower House.

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Jurek Martin, U.S. Editor, reports from Washington on the limited prospects of

The Stop-Carter campaign

"ALL HOPE abandon, ye who enter here" had until yesterday been the prospect of all those Democrats who had plunged into the inferno of the primary elections in attempts to deny the party presidential nomination to Mr. Jimmy Carter of Georgia. That hope is still fragile to-day but it is at least alive, even if residing in the possession of what a month ago would have seemed an improbable cast of characters.

Senator Frank Church of Idaho, Governor Jerry Brown of California and Congressman Morris Udall of Arizona are not exactly machine-made establishment Democrats. Mr. Church and Mr. Udall are from the Left-wing of the party, in many respects heirs to the McGovernite tradition that did so badly four years ago: Mr. Brown comes from no known or comprehensible stable. Mavericks all to a degree, they would appear to sit as uncomfortably with the establishment as Mr. Carter does, none of them representing the mainstream of the party that would have found its natural candidate if Senator Hubert Humphrey could have been induced into coming out into the open.

But if Mr. Carter is to be stopped in the primaries and deprived of the momentum that would give him the nomination on the first ballot, it is now up to these three men, singly and collectively, to do it.

On Tuesday Senator Church edged out Mr. Carter in the Nebraska primary. He was helped in his task by a tacit agreement with Mr. Udall, whereby the latter agreed to stay out of Nebraska so long as Mr. Church steered clear of the Connecticut delegate selection process. The strategy nearly produced a double success since Mr. Udall ran Mr. Carter tolerably close in the first stage of the Connecticut race, losing by only 33 to 31 per cent.

Mr. Church won in Nebraska because he concentrated all his efforts there in his first primary, while Mr. Carter, stretched more thin, was unable to devote comparable time and money. Mr. Church might argue very reasonably that his own visibility in Nebraska, enhanced because he comes from another Midwestern State, must be matched against

The U.S. Presidential Election

the nationwide public attention on Mr. Carter as the Democratic front runner and that it would therefore be unwise to sell his achievement short. But the evidence of this political year has been that the Georgian is only beaten when his opponents put all their eggs in one State basket or where special issues consume the local electorate.

The question now is what this trio can do for an encore. Mr. Church's next big push will be in Oregon on May 25, though he will presumably do well in his home state of Idaho, which votes on the same day. Mr. Udall, plugging gamely along is hoping to unseat Mr. Carter in Michigan, whose primary is next Tuesday, where the race has essentially been reduced to the two men.

Governor Brown, for his part, is only in three primaries—Maryland, also next Tuesday, Nevada on May 25 and California on June 8. The one scenario to which could see Jimmy Carter thoroughly unhorsed is for Mr. Brown and Mr. Udall to win simultaneous victories next week in their respective primaries, for Nevada and Oregon to fall to Mr. Brown and Mr. Church a week later and for California to go overwhelmingly for its own Governor. In the process, so the hope goes, Mr. Carter will do less well in Ohio and New Jersey, which vote on the same day as California, and have to be content with the smaller pickings available in the smaller South-West and far-West states which also hold primaries over the next month.

Many people believe that Governor Brown will take Maryland a week from now. His campaign there, unfathomable though it is, has attracted a lot of attention. The Maryland political Establishment, has fallen rapidly in behind him, though the philosophical links between the Governor and the state party seem to be non-existent. The professionals of Maryland appear to prefer anybody to Jimmy Carter.

But will it amount to the end of the Carter bandwagon? The conspiratorial theory, of course, sees Hubert Humphrey's hand in all this. There is no way in which Messrs. Udall, Church and Brown can individually get close to the Carter delegate total: even assuming the worst possible results for Mr. Carter, the sum of their delegates strength will probably not approach his. But if they succeed in holding his delegate total to about 1,000 come convention time, some 500 short of that needed to take the nomination, then the brokered convention in New York may ensue, with delegates pledged to Messrs. Brown, Udall and Church joining with those won by other candidates like Senator Jackson and those who are uncommitted in an appeal to Senator Humphrey.

The irony in this scenario is that the Establishment's will would be achieved through the use of dei ex machina. Both Mr. Udall and Mr. Church are members of the congressional club and close to Mr. Humphrey, but the Establishment has lifted few fingers on their behalf so far. Mr. Brown is not only a Californian, 3,000 miles removed from Washington: he also possesses a casual disregard for conventional governmental politics that, if seriously analysed, would probably appall practitioners of the art. But it is quite soberly being said around Washington that these three could live with Senator Humphrey, who, in turn, has been noticeably more complimentary to them than he has to Governor Carter.

There is another theory, improbable but worth recording. It is that neither Mr. Udall nor Mr. Church can realistically be seen as winners in November's presidential contest, but that Mr. Brown just might be, and that by some mysterious process he may be the man to emerge as all things to all Democrats. It is even being said that he may figure in some key political alliances in the weeks ahead, with the vice-presidential spot on the ticket up for grabs.

The flaw in all this is that if Mr. Carter puts his mind to it he may be able to consign them all to oblivion. It is arguable that the Georgian has been suffering from a mild case of over-confidence in the past week and has allowed himself to think more in terms of what he will do with the nomination rather than on the task of winning it. Thus, the Nebraska result may have served, for him, the useful purpose of reminding him not to cross bridges before he comes to them. Certainly the comparative ease with which he has disposed of most of his challengers from left and right so far (Mr. Udall invariably among them) should give him cause for confidence. Governor Brown, however, since he is probably an authentic phenomenon, may be a different matter.

Finally, Mr Carter can console himself in the knowledge that the Democratic Party electorate seem to like going with a winner, which he has proved himself to be. The polls are even saying that he would beat both President Ford and Governor Reagan in November, whereas Messrs. Udall and Church have not even risen as high as 10 per cent. in the surveys charting the preferences of registered Democrats.

The odds, therefore, remain heavily on a Carter nomination.

Senator Frank Church: one of the trio of mavericks trying to halt the Carter bandwagon.

He has been making ... in Washington, ... "freshmen" Congress... just endorsed him, ... quantity of other ... Democrats ... He is working ... committed ... usual ... have been ... have moved into his ... the Nebraska result ... he is not yet the ... cannot afford to take ... the month ahead.

EUROPEAN NEWS

Finnish Communists make Government fall certain

BY LANCE KEYWORTH

HELSINKI, May 12.

IT IS unlikely that anything can now prevent the resignation of the Finnish Government late this evening or on Thursday. The Communist Party made sure of this at its council meeting to-day when it definitely rejected the proposed increase in turnover tax.

The five party "Popular Front" coalition cabinet of centre left parties entered office last November after a lengthy period of caretaker government and premature general elections. It was formed more or less at the command of President Urho Kekkonen, and it included as a very reluctant partner the Finnish Communist Party for the first time since the 1960s.

The CP contribution to the urgent work of the "national emergency" government: as it was called, has been to block most of the tough measures proposed to resolve the most serious economic situation faced by the country since World War Two: a record current account deficit in 1975 of nearly FMks8bn., a net foreign debt of FMks.20bn., about one-fifth of the GDP, unemployment edging over 4 per cent., and inflation running at an 18 per cent. annual rate.

Prime Minister Martti Miettunen's Centre Party coalition cabinet not only had to raise well over F.Mks.1bn. in new revenue to finance the so-called unemployment supplementary budget in March. It also had to plan on how to find the extra F.Mks.3m. to F.Mks.4m. needed to balance the budget in 1977. The only immediate solution offered was to increase the turnover tax by 2 per centage points, and the CP was given a take-it-or-leave-it ultimatum on this.

Whether the remaining four parties — Social Democrats, Centre (formerly Agrarian), Swedish and Liberal People's Parties—will carry on, as is hoped, depends on the Social Democrats. They are, or pretend to be, unwilling to accept responsibility for politically unpleasant decisions while the CP is in opposition making political capital out of the situation. The alternatives seem to be a minority government or another caretaker cabinet.

Cortes members launch bitter attack on Spanish Cabinet

BY ROGER MATTHEWS

MADRID, May 12.

THE BATTLE within the Spanish regime over the Government's partially disclosed political reform plans warmed up sharply to-day with a bitter attack on the Cabinet by 126 members of the present Cortes. The Cortes which acted as a channel of approval for General Franco's decisions, is scheduled to be replaced by a partly elected two chamber parliament in about a year from now.

In a letter to Prime Minister Carlos Arias the 126, who include a number of former Ministers and retired generals, accused the Cabinet of creating a climate of confusion. They claim that some members have been acting outside the law and have violated the oaths they swore on taking office by permitting illegal political groups to operate freely.

All the Government's reform proposals are being submitted as a matter of urgency to the Cortes and the approval of members is necessary before the new laws are put before a referendum scheduled for the autumn.

"Worst of all is that this climate of confusion is largely due to the contradictory statements of some members of the Government," says the letter. The Cortes deputies were particularly angered at the "irresponsible" manner in which the king's name was being dragged into the argument by one Cabinet member in particular who had described him as "the motor of change."

Meanwhile, another group of 62 members of the Cortes, headed by former economics overlord and Foreign Minister Sen. Lopez Rodo, this morning tabled the draft of a new electoral law, something which the Government has promised it will produce before the middle of July.

Sen. Lopez Rodo, a key member of the lay Catholic organisation Opus Dei and a fierce opponent of Interior Minister Manuel Fraga, said at a Press conference to-day that his group was doing all it could to "help the Government."

He argued that as the Government was apparently in such a rush it should take advantage of his group's detailed proposals. It was not just up to the Government to propose measures but was also the right of the Cortes's members, he said, and went on to claim that it was impossible for the Cortes to consider measures in isolation. "These reform proposals must be studied as one synchronised package."

The former Minister, who is now ambassador in Vienna declined to give details of the 113 articles in his Electoral Reform Bill but said it was eminently progressive and in line with other Western countries. Although the proposals of Sen. Lopez Rodo and his colleagues are not expected to prosper, they certainly add to the difficulties of an already disunited Cabinet and are seen as a manoeuvre to widen divisions and create further obstacles.

Sen. Lopez Rodo is strongly opposed to a two-tier parliament and is understood to believe that the Government's plans can be better defeated or amended by adopting such tactical procedures.

However, it is still doubtful whether the Cortes will in the last resort be willing to provoke a constitutional crisis by throwing out, or substantially watering down, the Government's proposals when they are eventually completed.

Soames presses for Spanish talks

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

STRASBOURG, May 12.

THE SPANISH Government expects that if it applies for membership of the EEC it will enter the Community in six to seven years' time, Sir Christopher Soames, the Commissioner responsbile for external relations told the European Parliament to-day.

Sir Christopher suggested that it would probably take about two years before Spain could begin formal negotiations on entry with the EEC and about another three years for these to be completed.

In the meantime, the association agreement signed between Spain and the EEC in 1970 would probably need to be updated to take account of changes since then—notably the enlargement of the Community to nine members. The Commission was holding talks with the Spanish Government on the possibility of negotiating such a revision, he said, though approval by the EEC Council of Ministers would be needed before such negotiations could be opened.

Sir Christopher, who spoke towards the end of a debate on Spain, was assailed by some members of the Socialist group for allegedly trying to act too quickly on the whole question of putative Spanish membership. Mr. Tam Dalyell, the British Labour MP, accused him of presenting the Parliament with a "fait accompli" and expressed surprise that Spain was "so far down the road to membership."

But Sir Christopher replied that he was only giving the Spanish view on the time needed to achieve EEC full membership and emphasised that the Commission's soundings on a new interim association agreement were merely exploratory.

There was praise on both sides of the chamber for a report prepared by M. Maurice Faure, a French Member of the Socialist group, which stated that there was a broad consensus in Spain in favour of a more democratic system.

North Sea schedule postponed in Norway

By William Dullforce

OSLO, May 12.

STATOIL, the Norwegian State Oil Company, announced to-day a one-year delay in development of the Statfjord offshore field, the largest yet discovered in the North Sea. The first production platform will be towed to the field in May, 1977, instead of this coming summer, as originally scheduled. The field will go on stream towards the end of 1978 or early 1979 and not as planned in late 1977 or early 1978.

The need to complete as much construction and installation work as possible in sheltered waters is given as the reason for the delay. The first platform is a concrete Condeep structure built in Stavanger by the Norwegian Contractors Group. The steel deck is being built by the Aker Group at its Stord yard near Bergen. A British company has received orders for some of the modules to be placed on the deck.

Mobil is the operator on the Statfjord field. It has proven reserves of 530m. tonnes of oil and 100bn. cubic metres of associated gas and was expected to provide some 300,000 b/d of oil during the first phase of development and three times as much during the second phase.

Development of the two other major fields in the Norwegian part of the North Sea, Ekofisk and Frigg, has been delayed by about 6 months. The delay on Statfjord implies that production on the Norwegian side will peak at around 78m. tonnes in 1985 or 1986, a year later than announced earlier.

Reuter reports from Paris: The Elf-Aquitaine Group said its Casteralou 101 well near Tarbes in south-west France tested oil to a total of 17 cubic metres over 62 hours with a density of 0.89.

Further tests will be needed to assess the size of the oil find, it said.

Elf-Aquitaine said the drilling, which is on the Chalosse Bigorre concession held 100 per cent. by Ste Nationale des Petroles d'Aquitaine, was stopped at 3,420 metres.

Last month Aquitaine said it found hydrocarbon traces on this drilling, but added it was too early to interpret their commercial significance.

Tanker chief steps down

By Fay Gjester

OSLO, May 12.

MR. HILMAR Reksten, the 78-year-old Norwegian tanker owner whose companies have been in financial difficulties as a result of the world tanker crisis, yesterday announced his resignation as Board chairman of the Reksten companies, though he will continue as a Board member. He will be succeeded by his adopted son, Johan Reksten. Mr. Hilmar Reksten has been Board chairman of the Reksten companies for 47 years.

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Portugal Socialists back General Eanes candidacy

BY PAUL ELLMAN LISBON, May 12.

PORTUGAL'S Socialist Party to-day finally came out in favour of the as yet undeclared *residential* candidacy of General Antonio Ramalho Eanes, the Army Chief of Staff.

Dr. Mario Soares, the Socialist leader, told a Press conference here that his party had decided to back General Ramalho Eanes because he would ensure the "cohesion and unity" of the armed forces.

Denying formally that he had made a political deal with the general, Dr. Soares nevertheless *claimed that "discreet* soundings" within the armed forces had shown that his candidacy enjoyed "consensus" support. Similar support also existed within the military for the Socialists' plan to form a minority Government on the basis of the 107 seats they won in the National Assembly in the April 25 legislative elections, Dr. Soares added.

The Socialists are the third *of the three biggest Portuguese* parties to declare their support for General Ramalho Eanes. The move was delayed, it is reliably understood, by negotiations *between the* Army Chief and Dr. Soares, and by difficulties the party leader then encountered from the Left wing of his national executive when he tried to talk them into backing a figure whose personal political beliefs remain an unknown factor in the current Presidential equation.

Dr. Soares to-day dismissed the support offered by the Popular Democrats, who hold 72 Assembly seats, as "unilateral" *while* he *described* the backing for General Ramalho Eanes from the Centre Democrats (42 seats) as "nuanced." Only the Socialists, he claimed, had come down "officially" in favour of the Army Chief.

Nevertheless, he stressed, General Ramalho Eanes would be put before the country as a candidate who was "above party."

The Socialist leader again fended off criticisms of his in-

Gen. Ramalho Eanes

tention to form a minority government, in which he has said he will give posts to "independents" and military representatives.

The history of the sixth Provisional Government which Portugal has seen since the coup of April, 1974, showed *that Coalitions turned Cabinets* into battlefields between the parties which formed them, he said.

He emphasised, however, that his resistance to a Coalition in any form related only to the "present situation" and declined to rule out the *possibility of one being formed* at any point during the scheduled four-year life of the newly-elected Legislature.

It is understood that General Ramalho Eanes, in agreeing to go along with the plan to form a minority Socialist Government should he as President be given the task of choosing one, wrested from Dr. Soares a concession that should the experiment fail, an attempt will be made to make the Cabinet more broadly based.

In any case, because of the "semi - presidential" system Portugal now had, a minority Government working under a Head of State elected by a majority would represent the wishes of the people, Dr. Soares claimed.

Justifying the Socialist support for General Ramalho *Eanes, Dr. Soares said that,* apart from his backing by the armed forces and the non-party nature of his candidacy, he was the man who best "*synthesises and symbolises* the spirit of April 25 and November 25" and that he would with the Socialists interpret "progressively" the new Portuguese Constitution.

The Socialist leader, however, refused to be drawn upon how he knew that the majority *of the armed forces* supported General Ramalho Eanes and that this same majority also backed a Socialist minority Government while *claiming that no deal linking* the two had been raised in his negotiations with the Army Chief.

THE CRISIS IN ITALY'S STATE INDUSTRIES

Christian Democrats hold the levers

BY ANTHONY ROBINSON, IN ROME ROME, May 12

BARELY SIX weeks away from *general elections which are ex*pected to significantly reduce the power of the Christian Democrat party, a crop of top level resignations in the two major state holding companies has revealed the existence of a deep crisis within the State industries and a major effort by the CD party to maintain its hold over the levers of economic power.

The heads of several leaders of State-controlled companies have *rolled over the last two years*—the most important of which being those of Sig Mario Einaudi, chairman of the State minerals corporation EGAM and Sig Raffaele Girotti, chairman of the State oil and energy corporation ENI. In both cases, however, they have been replaced by men from within the Christian Democrat establishment. But in the ENI case, in particular, the replacement of Sig Girotti by Sig Pietro Fette of EFIM (another State holding company) failed to end the revolt by top management figures in the operating companies who demanded greater autonomy. But the leaders of this *revolt, Sig Gino Pagani of* the chemical subsidiary ANIC and his deputy, were forced to resign at a fiercely contended annual general meeting early this *week*.

Resignation

A similar struggle for power at IRI has led to the resignation of the director-general Sig. Leopoldo Medugno. IRI is naturally unwilling to comment on the significance of this move, but it is believed to follow a determined effort to remove the chairman, Sig. Giusseppe Petrilli. This attempt *failed*, however, and Sig. Petrilli was confirmed as chairman last month in a way which has outraged the non-Christian Democrat parties and flatly contradicted the recommendations of the so-called Chiarelli Commission recently set up on an inter-party basis to delineate the way *in which* the State-controlled industries *should be run. Sig. Petrilli has* been chairman of IRI uninterruptedly since 1960 when the then Premier Amintore Fanfani called him back from the European Commission in Brussels to take over the reins of the group. Sig. Petrilli has presided over a period of rapid expansion during which IRI has become Italy's largest industrial and service group with a 1975 turnover of around L9,600bn. (around £6,000m.) from a multitude of activities ranging from banking to steelmaking and including the Alitalia airline, the Alfa Romeo car complex, shipyards, tele*communications and autostrades*, civil, mechanical and nuclear engineering, shipping lines and electronics.

For many years the IRI *formula of strategic intervention* in economic growth sectors, managerial autonomy, joint ventures with private capital and so on have been regarded as a model *for other countries, including* Britain's own National Enterprise Board. Indeed to a considerable extent IRI's problems stem from its own success and the speed of its expansion plus the way in which it has been increasingly called upon to undertake tasks of a wider nature. Since 1969 it has frequently underpinned the economy through continuing high investment at a time of low private investment and has contributed massively to the industrial and infra-structure development of the south. In so doing, however, it has contributed to shifting the balance of the mixed economy in favour of the State sector *and* at the same time has found itself in a very vulnerable position in the aftermath of the energy crisis and recession which has badly affected its over*all transport interests in* particular.

But in addition to these problems of an economic nature IRI has been increasingly obliged to undertake massive investment projects of a highly dubious economic viability. The classic examples of such projects are the L200bn. Alpha Sud car plant *near* Naples, the L1,150bn. *steel plant in the earthquake*-prone area of Gioia Tauro in Calabria and the decision to invest L150bn. in a joint venture with Boeing to produce the still-undecided 7X7 passenger air-craft.

But apart from being saddled with an increasing number of new lame ducks *IRI's* top management also found it impossible to insist on closure of the prestige liner routes of the Finmare Company before losses reached well over £130m. or insist on the efficient running of the RAI-TV network of which it was a major shareholder.

But *these problems* were compounded by the interior deterioration of the Christian Democrat party into a series of competing factions, each with their own need for finance and patronage. This has resulted in a series of highly-questionable appointments to high positions throughout the State groups which have had a very demoralising effect on technical and managerial staff.

One of the more controversial *appointments* was that *of* Sig. Ettore Bernabei, a Fanfani protege who faithfully tailored the RAI-TV news programmes to suit his master's voice but left the finances of the network in a parlous condition in the process. His reward was to take over the chairmanship of the Italstat civil engineering subsidiary. But the most controversial appointment of all, on hindsight, has proved to be that of former scrap merchant and second-hand arms dealer Camillo Crociani to head the Finmeccanica engineering subsidiary of IRI. He was sponsored by the Doroteo faction of the CD Party. Sig. Crociani's *notoriety stems from the Church* Commission inquiry into the Lockheed affair in which he was implicated. This led on to the discovery of a whole series of other illegal payments affecting Finmeccanica subsidiaries such as the Selenia radar company which made pay-offs to a ghost company in connection with a contract from another part of the *Italian state, the air force.*

Sig. Crociani resigned two months ago and fled the country. But the combination of corruption, top appointments made on the basis of political affiliation, plus the demonstrable incapacity of IRI's top management to defend the operational efficiency of the group from improper political pressures, lies behind the tension and rivalries of which Sig. Medugno's resignation is but the tip of the iceberg.

As director-general Sig. Medugno, flanked by two central directors, wielded power on an operational basis at the top level *but ultimate responsibility for* IRI was, and remains, in the hands of Sig. Petrilli. He has been re-confirmed as chairman for another three years in spite of criticism that he has spent far too much of his time holding esoteric conferences on the need for a united Europe and too little on keeping track of events at IRI. He is also reproached, particularly by the Republican and Communist parties, for being far too willing to bend to the wishes of those powerful men within the Christian Democrat party who appointed him and not determined enough in insisting on the need for clear political directives, *expressed through the proper* institutional channels.

But the weakness of the top management of IRI and the other State-controlled groups at this time also stems from the heavy operating losses chalked up over the last few years and the fragile financial structure in which they operate. A steep decline in their self-financing capacity plus the crisis of the bond market, their principal source of funds, has made all the State groups in*creasingly dependent on capital* injections from the State through an increase in their so-called capital endowment funds.

Delay in increasing these funds is immediately reflected in a higher borrowing requirement from the banks leading to further losses. Under these circumstances the threat to delay increases in the endow*ment fund has proved* on several occasions to be a powerful weapon in the hands of those politicians anxious to obtain favours from the system.

In this way, the kind of relationship between politicians and top management of the State-controlled industries reveals the nature of the institutional crisis which underlies the Italian political situation. A system of government based on virtually feudal *relationships* between powerful political protectors and industrial barons has undermined the efficiency of a major part of the Italian economy. It is a situation which also extends throughout the credit system and the social security network. It helps to explain why to such a large extent the crisis of the Christian Democrat Party is also the crisis of the Italian State and why Italian politics is so complicated.

Republican

But this is a situation which also helps to explain why the Italian Communist Party is able to stand what is normally understood as Marxist orthodoxy on its head by declaring that the State sector is "quite large enough thank you" and has no need to be expanded by further nationalisation. The PCI also finds itself quite happily in the company of the Republican, Socialist and other parties who are demanding a thorough reorganisation of the State-controlled sector along the lines *traced by the Chiarelli Commis*sion.

The Commission called in essence for greater Parliamentary surveillance over the activities *and plans of the state* industries, the institution of regular hearings to interrogate the heads of State industries, open debate and open decisions on the appointment of top officials and the formulation of policy guidelines within the context of strengthened overall economic planning instruments.

French success at Africa talks

BY ROBERT MAUTHNER PARIS, May 12.

THE FRANCO-AFRICAN Heads of Government Conference, which ended here last night has proved to be an undoubted *success for* President Giscard d'Estaing of France.

Although the meeting did not produce any spectacular results, *the African leaders* who included representatives from Mauritius and the Seychelles and former Portuguese and Belgian colonies as well as the French-speaking African countries, nearly all expressed satisfaction at France's continued close interest in their continent.

Several of the more moderate leaders such as M. Leopold Senghor the Senegalese President and M. Felix Houphouet-Boigny of the Ivory Coast, made no secret of their fears of super-power interference in African affairs. The best way to prevent such interference, they made clear, was closer co-operation with Europe, and particularly with France and Britain.

No doubt the Soviet-backed Cuban intervention in Angola and *fears of similar* operations in South-West Africa if the South African Government is not persuaded to change its policy towards Namibia had something to do with the favourable reception given to the French President's utterances and initiatives. Though these were essentially in the economic field, they were in line with the general conviction that only by building up Africa's economic strength could the individual African countries' independence and sovereignty be ensured.

The last-minute proposal by President Giscard that the industrialised nations "with historical links with Africa" and possibly the U.S., should set up a special fund for the economic development of the continent, thus won the *unanimous* approval of the participants.

The fund which would be administered by separate councils of donor and recipient countries, would deal with specific economic development problems such as new rail and road links for land-locked countries, the struggle against drought, modern agricultural techniques and the exploitation of mineral resources.

Meinhof protest fears at Berlin parade

WEST BERLIN, May 12.

STRONG POLICE reinforcements to-day guarded a Western allied military parade here following reports that further demonstrations were being planned in protest at the death of anarchist leader Ulrike *Meinhof in Stuttgart's Stamm*heim prison.

A police spokesman said there were no incidents during the hour-long parade except for the arrest of two people distributing pamphlets. Some 700 police were lining the route in the city-centre, and blocked off side-streets.

The annual parade, watched by a crowd of 3,000, was first launched in 1964 to demonstrate Western Allied solidarity. *American, British and French* infantry companies of about 200 men each took part in the ceremony.

In Duesseldorf, the four West Germans on trial for murder said to-day that their conditions of imprisonment could lead them to commit suicide, like Ulrike Meinhof.

They are charged with seizing West Germany's Stockholm embassy in April last year and blowing up part of it when the *Bonn Government refused their* demands for the release of Frau Meinhof and other anarchists. Two diplomats and two of the raiders were killed.
Reuter

OVERSEAS NEWS

THE FORTHCOMING RIYADH SUMMIT

Assad and Sadat 'will meet'

BY LOUIS FARES

DAMASCUS, May 12.

PRESIDENT Hafez Assad of Syria is to meet President Anwar Sadat of Egypt at a four-power conference in Riyadh in the first half of June, according to authoritative sources in the Syrian capital. Next week's meeting in Riyadh of the Prime Ministers of the two countries, which was announced yesterday, is designed to pave the way for the Heads of States' conference.

The two Heads of State have been bitterly at loggerheads since last September when Egypt signed the Sinai disengagement agreement with Israel, and generally on bad terms since the October, 1973, war. Saudi Arabia and Kuwait, which will take part in the conference, appear to have achieved a diplomatic breakthrough in securing the consent of the two Presidents to attend the meeting.

The meeting is aimed at a reconciliation between the two countries which would involve some climbing down on both sides. In particular Syria, which has roundly attacked Egypt for betraying the Arab world by concluding a separate disengagement agreement, will have to change its stance. In the past it has said that it would only talk to Egypt if the Sinai agreement was abrogated.

According to Syrian officials there are indications that President Sadat has been seeking reconciliation for the past few months.

James Buxton adds: Syria's decision to meet Egypt in Riyadh has apparently been taken as a result of two things. The first is the fact that Syria's overall Middle East strategy, which culminated in the U.S. veto of a pro-Palestinian resolution at the UN Security Council, appears to have *run out of steam*; the second is the fact that Syria is deeply involved in Lebanon and needs both Israeli acquiescence and the support of other Arab states.

Reconciliation with Egypt could help strengthen the Syrian position in Lebanon and, if it leads to a new alignment in the Middle East confrontation zone, could pave the way to progress on securing Israeli withdrawal from the Golan Heights, a long-term Syrian aim. It raises the possibility of a reconvening of the Geneva peace conference and a possible U.S. diplomatic initiative in the region.

But given the intricacies of the situation and the existence of powerful internal forces in Syria which might regard a reconciliation with Egypt as a damaging climbdown, it would be wrong at this stage to expect too much from the meeting of the two Presidents. Reconciliation may prove more difficult than it now seems and it may take a long time for a joint strategy to emerge.

David Bell writes: The U.S. State Department to-day insisted that it had played no part in arranging the meeting between the Prime Ministers of Syria and Egypt which is to take place under the auspices of Saudi Arabia and Kuwait in Riyadh next week. Nevertheless it is an open secret that co-operation between the State Department and Saudi Arabia continues to be extremely close.

A number of intriguing pointers to this co-operation have been emerging in the past few days. To begin with there are still persistent but unconfirmed reports that it was the Saudis who stepped in to provide money for the anti-MPLA forces in Angola when Congress refused to vote them any more money. All the indications are that the administration was more than happy to see the Saudis effectively acting as American surrogates even if the money actually made little difference in the end.

More interesting still has been the revelation in the past few days that the Saudis offered to finance special aid to Somalia in an effort to eliminate the Soviet presence there. According to Mr. James Akins, the former American Ambassador to Riyadh who testified recently on Capitol Hill, this offer was only turned down because the Defence Department continued to press the case for major expansion of Diego Garcia to counter Russian power in the Indian Ocean.

Israeli Prime Minister Yitzhak Rabin said yesterday there was a possibility that Syria might agree to negotiations on an end to the state of war with Israel, writes AP-DJ from Tel Aviv. Mr. Rabin told a meeting that Syria's present stance could lead Damascus into a more moderate position and that consequently Egypt may soften its stand. "It is possible that these two nations will agree to enter into negotiations on an end to the state of war," he said. "I would see in this perhaps the single positive development to come in 1976." He said that the help of a third country would be needed in such negotiations but did not elaborate.

Tug-of-war over Lebanon accord

BY IHSAN HIJAZI

BEIRUT, My 12.

THE INTER-RELATED questions of security and Syrian military presence here have emerged as the main problem obstructing a settlement to the 14-month-old Lebanese crisis and slowing down the instalment of President-elect Elias Sarkis in office.

Christian Right-wingers led *by President Suleiman Franjieh* on the one hand, and a Moslem Left-wing alliance on the other, are currently engaged in a tug-of-war over the issue and have thrown the entire situation back into a vicious circle and complete uncertainty. It has all resulted in a chain reaction of violence in various parts of Lebanon.

Right-wing and Left-wing forces fought with mortar and rockets in the capital and the suburbs last night and this morning, *with the Left-wing admitting* they took the initiative in the fighting in retaliation to a continuing attack on Left-wing positions by the Right-wingers in the mountains.

Efforts to arrange a truce in the mountain areas have failed so far because the Right-wingers are insisting on entry of Syrian forces to take the positions now occupied by the Left-wing forces there.

The left alliance under Mr. Kamal Jumblat has not only warned against inviting Syrian troops but has called for withdrawal of those already here. Their number was put by the *Socialist leader at 8,000-9,000.*

The withdrawal was set forth as one of the terms by the left to accept Mr. Sarkis as a new President. They insisted that the problem of security should be solved internally, which was taken by observers as a rejection of right-wing demands for a treaty with Syria that would enable the latter to send troops to police Lebanon while the country went through a period of recuperation.

Outside the *Left-wing alliance*, Mr. Jumblat has joined hands with Mr. Raymond Edde, a prominent Christian Maronite leader who was originally nominated by the Left, and the Moslem bloc of former Premier Saeb Salam.

Mr. Jumblat and Mr. Edde announced they will struggle to get the Syrians out and "preserve Lebanon's sovereignty." The Left-wing leader warned Mr. Sarkis that unless he too moved in that direction "he *will be faced with a fresh conflict* that will obstruct his plans for social justice."

Mr. Edde again described the Syrian presence here as a "mandate," adding that "the burden of Syrian presence" was weighing heavily on Lebanese everywhere.

According to newspaper reports to-day, as many as 30 people were killed and some 200 wounded in the clashes in the northern port of Tripoli yesterday between members of the pro-Syrian guerilla group *Al Saiqa* and the Palestine Liberation Army on the one hand and armed men from the rival pro-Baghdad Baath Party on the other.

Informed sources noted that more of such clashes should be expected if anti-Syrian elements continue with their campaign to obstruct the Damascus-sponsored settlement of the Lebanese crisis.

According to informed sources, a meeting yesterday between *Mr. Sarkis and President Franjieh* did not bring the expected resignation of the President any closer.

France is sending peace envoy M. Georges Gorse on a third *mission to Lebanon* at the end of this week, it was announced after a Cabinet meeting to-day, Reuter reports from Paris.

Demirel urges Islamic unity

By Metin Munir

INSTANBUL, May 12.

THE ISLAMIC Conference of Foreign Ministers, which Turkey considers to be an ice-breaker in its relations with Arab and non-aligned blocs opened here to-day with a speech by Prime Minister Suleyman Demirel urging increased Islamic solidarity and co-operation.

Turkey has already announced *its decision to become a fully-fledged* member of the Conference after seven years of de facto membership. To further endear itself to the Arabs, Turkey to-day supplemented this move by giving the Palestinian Liberation Organisation (PLO) permission, long withheld, to open a representation in Turkey. Both moves were considered by political observers designed to move Turkey closer to the Arab states from where Ankara wants increased political and economic support.

"Neither peace nor justice can be attained by ignoring the oppression and distress of the Palestinian Arab people and the Turkish Cypriot Moslem community have been subjected for years," Demirel said.

Dialogue open

ISLAMABAD, May 12.

INDIA AND PAKISTAN to-day re-opened a direct dialogue after a 12-month break and re-affirmed their commitment to normalise relations.

A joint statement after the first round of talks at the Foreign Ministry here gave no hint how they were progressing.

Blacks' share.

By Quentin Peel

BLACK SOUTH AFRICANS must be given greater opportunities to share in decision making and in the benefits of economic development if free enterprise is to survive in the Republic, Mr. Harry Oppenheimer, chairman of the Anglo American Corporation, said in his annual statement yesterday.

Tel Aviv bomb

BEIRUT, May 12.

PALESTINIAN commandos to-*day claimed responsibility for an* explosion in a Tel Aviv cinema yesterday, the Palestine news agency WAFA reported.

The agency reported the commandos as saying they planted bombs in the cinema which killed and wounded several Israelis.

Israeli police said a small explosive device went off in a crowded cinema in the centre of the city last night and three people received treatment in hospital for slight injuries. Two were later discharged.

Reuter

New Japan five-year plan forecasts 6% growth

BY CHARLES SMITH

TOKYO, May 12.

A FIVE-YEAR economic programme projecting a growth rate of 6 per cent. per year and incorporating a variety of targets in the field of welfare, pollution control and increased food self-sufficiency was announced to-day by the Economic Council, an advisory body to the Prime Minister.

The programme repeats the growth target set out earlier this year in a document entitled "Profile of the Japanese Economy in 1980."

Additional features of to-night's plan are the targets of reducing the cost of living increase to a 6 per cent. annual average over the five-year period (4.9 per cent. for wholesale prices); a house building target (8.6m. new houses by 1980) and the provision that Japan should progress towards 75 per cent. self-sufficiency in food by 1985.

The general stress of the plan is on welfare rather than growth in contrast with the long series of development plans published by Japan at intervals up to the 1973 oil crisis in which a rapid growth rate received primary emphasis. The new plan, though the first to be published by the Government of Mr. Takeo Miki is actually the eighth programme of its kind to be published since the ruling Liberal Democratic Party was formed in 1966.

The previous seven plans were all abandoned at various stages of implementation when they were rendered impracticable by changes in Japan's economic circumstances.

The chances of Mr. Miki's plan being carried out to the letter must be rated as slim not only because of the failure of its predecessors but also because of the problems which are likely to be encountered in financing some of the welfare programmes included in it. The plan provides for an increase in Government income from tax and other sources *from the present level* of 22.7 per cent. of national income to 23.7 per cent. average during the next [illegible] years.

It also proposes that [illegible] insurance payments should [illegible] stepped up from 6.1 per ce[nt] of the national income last ye[ar] to 7.1 per cent.

These changes may or m[ay] not be approved by the D[iet] but even if they are dou[bts] are being expressed as *whether the resultant tax inco[me] will be sufficient to pay for* [in]creased welfare expenditure, serious revenue shortfall wh[ich] appeared for the first time [in] Japan's public accounts last y[ear] is expected to be a se[mi]-permanent feature of the per[iod] of lower growth on which [the] country seems to be entering.

The new five-year plan can [be] seen as one of a number [of] attempts to get to grips with [the] problem of improving the qua[lity] of life in Japan at a time w[hen] *the country's economic horiz[ons]* are shrinking somewhat.

Britain reviewing E. African aid plans

BY QUENTIN PEEL

RECENT LOAN repayments by the three-nation East African Community to Britain's Overseas Development Ministry are still outstanding, the Ministry confirmed yesterday, in the wake of the revelation that the World Bank has suspended $50m. worth of loans to the Community. And sources in London indicated that Uganda is the country apparently withholding its contribution.

Britain is also reviewing its overall aid policy to the Community corporations, which run the ports, railways and telecommunications in Kenya, Tanzania, and Uganda, in an effort to help them recover from their current disastrous financial position.

But the Overseas Development Ministry is not currently providing any aid to the Community in the form of loans. The entire programme of approaching £3m. last year was devoted to technical assistance, in the form of wages for some 300 Britons helping to run the corporations.

A spokesman said that current loan repayments relate to some £7m. of outstanding debts, dating back to the 1950s. "There has been a very slight delay on a couple of repayments due," he said. "It is a very small sum involved. We have taken the matter up with the East African Community."

A meeting of the Community's Finance and Communications Council at the end of the month is expected to discuss the whole problem of debt servicing.

The World Bank statement said it was continuing to appraise projects for Kenya and Tanzania individually, but no new loan approvals were expected in the present situation.

UNCTAD boycott of Israeli

NAIROBI, May 1[2].

ARAB STATES and so[me] African nations on Wednes[day] walked out or boycotted a spe[ech] by the Israeli delegate to [the] UN Conference on Trade a[nd] Development and Egypt call[ed] for support for the Palestini[an] cause.

Secret negotiating committe[es] charged with the actual work [of] trying to find a compromise p[ro]gramme to reform the worl[d] economic system bogged down [in] procedural disputes

Conference sources said [the] nearly month-long meeting [of] economic experts from more th[an] 150 countries was running [at] least two days late and could n[ot] spill over into a "special" me[et]ing in Geneva in January.

Most Arab delegates and so[me] African nations boycotted [the] vast plenary hall at the 32-sto[rey] Kenyatta Conference Centre [as] Israel's Director General of [the] Ministry of Justice, Mayer Gab[ry] rose to speak.

Delegates from Algeria, Yemen, Syria and the United Arab Emirates were still in the Conference Chamber, but abruptly left as Gabry rose—thus completing the Arab boycott.

The Israeli delegate ignored the walk-out and earlier Egyptian statements on the Middle East and concentrated on economic issues. He urged the Conference among other things to adopt a code of conduct to govern the transfer of advanced technology from Western nations to the developing world.

OPEC offer of $400m.

BY ROBERT MAUTHNER.

PARIS, May 12.

THE FINANCE Ministers of the 13 OPEC oil producing countries, who ended a two-day meeting here last night, have offered to contribute $400m. to the International Agricultural Development Fund (IADF) this year.

However, the OPEC countries have made their offer, which represents half the total amount of the new $800m. fund to aid developing countries that they have set up, conditional on a still larger contribution to the IADF from the industrialised countries.

The final communique issued after the meeting made clear that this sum would be made available only if the industrialised countries contributed as much as $600m. to the IADF, which was set up in Rome in November, 1974, by the World Food Conference. This amount is $100m. more than the industrialised nations have so far been prepared to give, their position being that the two groups should make a contribution of $500m. each.

THE OMANI ECONOMY

March into deficit

BY ROBERT GRAHAM, MIDDLE EAST CORRESPONDENT

THE ROAD from the capital of Oman, Muscat, to the new airport at Seeb, 30 miles away, looks part boy scouts' camp, part unfinished building site. Rows of tents or temporary huts nestle in small valleys against the jagged background of stark mountains. New houses, apartment blocks, shops, warehouses and plant sites seem to eat up all available space. These are the external signs of the extraordinary transformation that has taken place around Muscat in a *hectic, and at times seemingly* uncontrolled, effort to modernise.

For Oman, being dragged from the Middle Ages into the 20th century is in no sense a cliche. It really does apply. Five years ago, when the previous Sultan was overthrown, Oman boasted seven miles of asphalted road, two post offices, no piped water supply system, and only three schools with a total of 900 pupils, all boys. Now there are over 300 miles of asphalted road, the *number of registered vehicles* has jumped from 840 to nearly 20,000, there is formal schooling for girls, colour television and the basis of a modern telecommunications system.

Without oil income and its sharp rise in 1973 little of all this would have been possible. Oil has accounted for an average of 93 per cent. of revenue over the past five years, and oil income has covered 80 per cent. of total expenditure. Growing current and development expenditure have created a widening budget deficit. The budgeted deficit for 1975, without foreign grants or loans, was Omani riyals 108m. ($346m.)

The increasing discrepancy between revenue and expenditure is the biggest single headache the authorities face especially as oil production is now levelling off. Over the past few *months it has slowed down in* economic growth and no new projects have been initiated while the Government re-examines its priorities.

So far the Government has been able to meet this deficit by borrowing from the commercial banks, and by raising foreign loans and grants. Last year for instance 41 per cent. or OR62m. of total bank credit outstanding was to the Government. Up to November, according to Central Bank figures, a total of *OR93.7m., had been received in* official loans and capital transfers. Thus enabling official reserves to rise over the year from OR64.3m. to OR97.9m. ($313m.).

However, the authorities are confronted by the harsh fact that from now on oil revenues will remain fairly static with oil production of around 365,000 b/d, whereas development and current expenditure will increase. That is because defence will continue to have a high *priority* even though the Dhofar rebellion is virtually over. Oman has committed itself to purchasing expensive equipment (including Jaguar fighters and the Rapier missile) and no senior Omani official believes that defence expenditure should be cut. It accounts for 45 per cent. of total expenditure and only a small portion of it can be truthfully considered as expenditure aiding civilian projects in Dhofar. In addition development until now has really been concentrated in the north and has ignored Dhofar because of security considerations. Now Dhofar will require sizeable sums, if the region is to remain pacified.

Officials are reasonably confident that more oil can be discovered in commercial quantities. Petroleum Development (OMAN), the state oil organisation, last *year increased expenditure by 40* per cent. with a renewed emphasis on exploration and drilling. There are four PDO seismic teams plus one rig operating now in Dhofar in an area where heavy crude was discovered in the 1960s. Sun Oil and Canadian Industrial Gas and Oil are exploring off Masirah Island and Elf-Erap is active off the Musandam Peninsular in the very north of Oman where it is believed to have discovered oil, (though work was halted re*cently because of a broken drill.)* Unless new sources of oil are found, production will probably begin to decrease next year, though this is contested by some informed Omanis.

Oman can of course rely to some extent on foreign aid. The Saudis last year are believed to have provided $100m. in grants and a further $100m. in soft loans. Saudi Arabia has also promised to finance a $180m. crash infrastructure development programme in Dhofar. Last year Abu Dhabi provided aid of some $100m. Iran has indicated its willingness to help. With the ceasefire in force between Oman and the People's Democratic Republic of Yemen, it is possible that Kuwait might look more kindly on Oman, which so far it has not been prepared to assist. Oman is the only Arab country in need of aid not to have received money from the Kuwait Fund for Arab Economic Development. Oman can also borrow on the international market. Yet even with all these potential sources of external funds, Oman's deficit will become an increasingly serious constraint.

Oman can help itself by streamlining administration and concentrating on reducing waste—and also by eliminating corruption. Several fortunes have been made in the past five yea[rs]. Private capital transfers abro[ad] are estimated by the Cent[ral] Bank at nearly $130m. in the fi[rst] ten months of 1975, against $2[illegible] in 1972. In many instances [the] Government has been persua[ded] to buy (especially from abro[ad]) more than it can absorb [or] operate.

With the first hectic rush n[ow] subsiding there are signs t[hat] financial constraints are creat[ing] a more considered appro[ach]. Because building up an in[fra]structure from scratch had s[uch] a high priority in the past [five] years, agriculture was gi[ven] second place. However, it [has] been realised that agricult[ure] and fisheries are a ma[jor] resource, providing a liveliho[od] for over 80 per cent. of [the] country 750,000 odd inhabita[nts]. A five year plan has been dra[wn] up for investment of nea[rly] $200m. with the aim of devel[op]ing agriculture so that produc[tion] can be boosted, compensat[ing] for import needs with incre[ased] exports, and even achieving [a] small surplus.

OMANI GOVERNMENT REVENUES & EXPENDITURES

Million Riyals

REVENUE				EXPENDITURE		
Year	Oil	Other	Total	Current	Development	Total
71	47.9	2.2	50.1	26.0	20.0	46.0
72	49.6	3.4	53.0	41.7	29.9	71.6
73	61.3	7.2	68.5	63.0	29.9	92.9
74	281.5	11.7	303.2	111.2	200.0	311.2
75	387.1	11.0	398.1	167.3	339.1	506.4

* Excludes grants and loans
Source: Central bank

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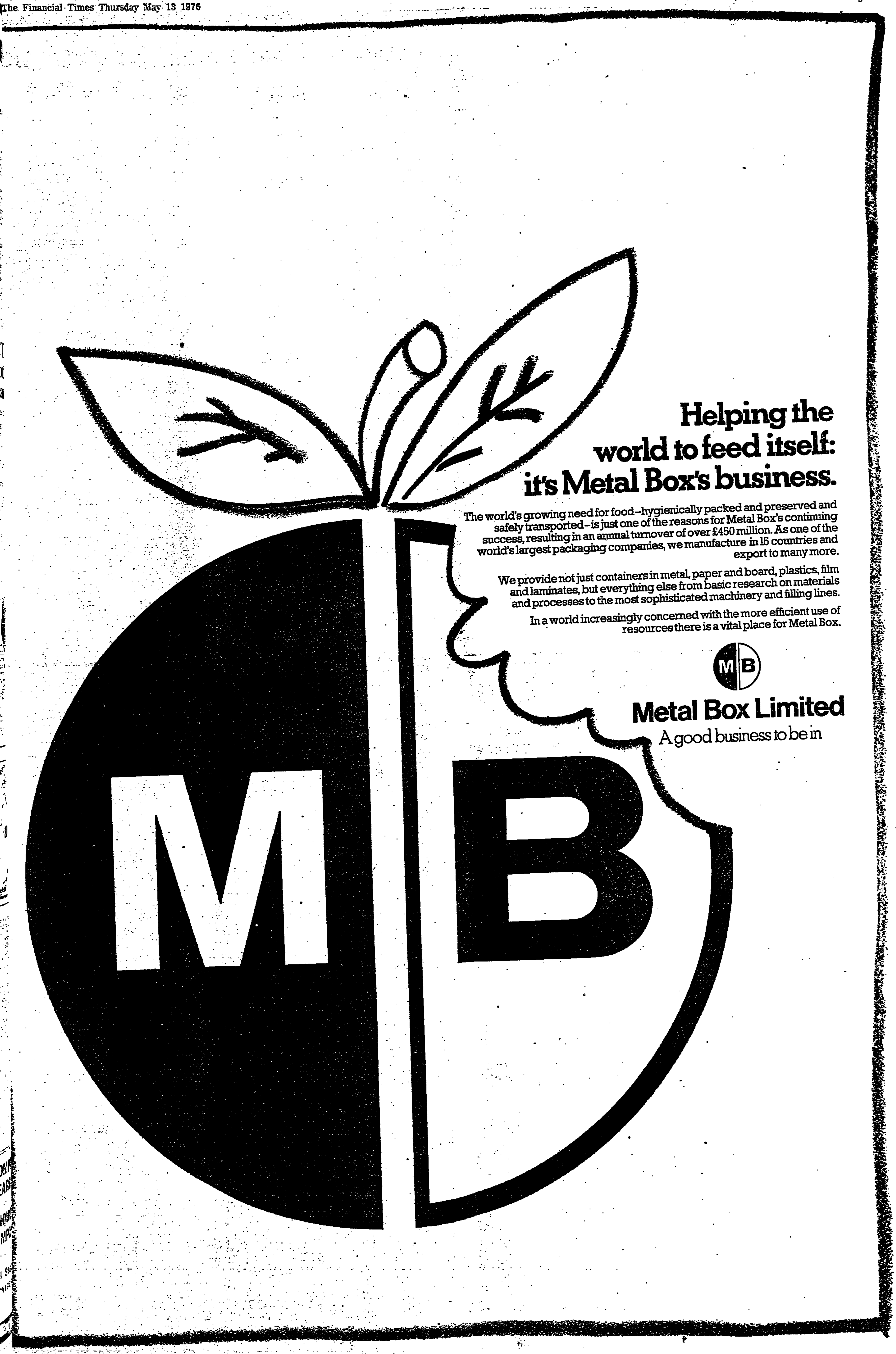
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The Financial Times Thursday May 13 1976

Fresh find and a setback in North Sea oil search

BY RAY DAFTER, ENERGY CORRESPONDENT

A SETBACK in the North Sea oil search and a find were announced yesterday. The setback came in the Anglo-Norwegian Statfjord Field—the biggest discovery in the North Sea—when it was reported that production would be delayed by a year.

The oil find was announced by British Petroleum in its Magnus Field, about 110 miles north-east of the Shetlands. The find has strengthened industry feeling that the structure is a commercial prospect and will be developed.

The Statoil/Mobil operating group said yesterday that delays to the platform tow-out in the Statfjord Field and changes in the pre-production programme would mean that the field would not start yielding oil until late 1978 or early 1979.

More wary

Most of the output will flow to Norway, but a substantial proportion is to be shipped to the U.K. by the Continental Oil group, operator for the British part of the field.

Latest estimates suggest that the field may have more than 3.9bn. barrels of recoverable reserves. Industry estimates indicate that between 400m. and 450m. barrels of these reserves may lie in the U.K. sector.

The Government has a direct stake in the find for like Conoco, the British National Oil Corporation has a 33.3 per cent. stake in the block 211/24 portion of the field. Gulf holds the other one-third interest.

Statoil/Mobil said that the delay would allow more construction and installation work to be carried out in sheltered waters, reducing the cost and time spent on offshore work.

The change in tactic is in line with the feeling of other offshore operators who have become increasingly wary of the risks and costs involved of installing and linking up production units in the hostile conditions of the North Sea.

The Statfjord "A" platform is being built in Stavanger and Stord, Norway, as part of a £1.2bn. development programme. The second phase of the development plan, including two more production platforms, is being reviewed by the Norwegian Parliament.

British Petroleum is carrying out more tests before making a decision. Its drilling rig, Sedco 703, has been moved from the block 211/12 to an adjoining concession 211/7 to test the northern end of the Magnus structure.

It would not give details of the latest tests on block 211/12 other than the well had been "a successful outstep."

Exciting

According to recent reports in the industry the field could have a maximum recoverable reserve potential of 600m. to 900m. barrels making it one of the bigger discoveries in the U.K. sector. Up to the latest well an estimated 540m. barrels of recoverable reserves had been proved.

Magnus lies to the north of all the U.K. fields in a depth of 600 feet. If BP decides to go ahead—and internally the field is regarded as the company's most exciting prospect—new production technology probably will be required. Sub-sea units linked to a tethered leg platform is one system which might be used.

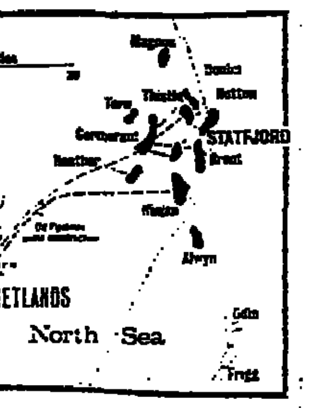
BP also said yesterday that it had abandoned its exploration well on block 16/11. The rig Sea Quest is being moved to drill a third well in block 15/13, held jointly by BP and the National Iranian Oil Company.

In Glasgow, Lord Balogh, deputy chairman of the British National Oil Corporation, said that BP was expected to recoup its equity investment of £800m. in the Forties Field within two years.

Lord Balogh, a former Energy Minister, said that among matters discussed at the corporation's Board meeting was its five-year plan.

"We shall have a large revenue. So far as we can make out, the return will be a multiple of the average return on capital investment and, if you compare investment in the North Sea with the multiple of investment put into steel or cars, it will be at least 30 per cent. of overall investment," he added.

It was difficult to forecast revenue in the case of the Forties Field, but so far as he could make out from the statement by BP it was going to be at maximum production next year.



Home deposits law reversed

By Quentin Guirdham, Property Correspondent

HOME buyers robbed of their deposits by defaulting estate agents can no longer claim their money back from the sellers, the Lords ruled yesterday.

The decision is a reversal of the law governing house sales. Previously, the courts had held vendors liable to compensate intending purchasers on the grounds that an estate agent was deemed to receive the deposit money as the vendor's "agent" in the legal sense of the word.

Lord Edmund-Davies said that the Law Lords had deep misgivings about the case because innocent purchasers would, through no fault of theirs, find themselves liable if an estate agent decamped with their deposit.

Indemnity

"Any steps which can be taken by the appropriate professional body to prevent the recurrence of such cases should be promptly taken for they are not uncommon, they arouse great concern and they tend to give the whole profession a bad name, despite the high integrity of the vast majority of its members," he said.

Member firms of the Royal Institution of Chartered Surveyors and of the Incorporated Society of Valuers and Auctioneers have, since 1969, had a joint indemnity scheme which means that no member of the public, buying or selling, should suffer any loss.

The National Association of Estate Agents also has a compensation fund which, it said yesterday, would cover deposits of around 10 per cent. of purchase price.

Other agents' associations do not yet offer any form of protection. There are also many agency businesses which belong to no association.

Yesterday's ruling allowed an appeal by Mr. David John Finch, of Hagdon Lane, Watford, Hertfordshire, who had been held liable to repay a £550 deposit, paid on his former home in Cardiff Road, Watford, by prospective purchasers Mr. and Mrs. Malcolm Sorrell, also of Watford.

The estate agent concerned was Samuel Stuart Levy, an undischarged bankrupt who had set up business as Emberdene Estates in Watford. He accepted the Sorrells' deposit together with deposits from five other intending purchasers.

Later, he pleaded guilty to 13 counts of theft and one of running a company while an undischarged bankrupt and asked for 41 offences to be considered. He was jailed for five years.

'Blackmail'

A County Court judge, whose decision was upheld in the Court of Appeal, ruled that Mr. Finch was liable to compensate the Sorrells.

But the Law Lords ruled yesterday that the theft of a deposit must, unless there has been a clear argument to the contrary, be borne by the depositor.

After the decision, Hart, Fortgang and Company, solicitors acting for the successful Mr. Finch, issued a statement advising buyers of property who are asked for a preliminary deposit not to pay them except to the sellers' solicitors, in which case the money would be protected by the Law Society's Indemnity Fund.

"Millions of pounds each year are paid as preliminary deposits to estate agents, on which buyers are now completely at risk.

"It is high time that the taking by estate agents of preliminary deposits from buyers be abolished.

"Such a deposit offers no protection to a seller of property, as it is returnable to the buyer on demand at any time before contract.

"Nor does it protect the buyer, as it does not guarantee that the property will be taken off the market."

Another solicitor described the deposit system as "a form of blackmail."

Solicitors granted group licences under Credit Act

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THREE PROFESSIONAL bodies representing solicitors yesterday were granted group licences under the Consumer Credit Act—the first of only a very few group licences likely to be issued under the Act.

The licences, which come into effect on August 3 and run for three years, were given to the Law Society, the Incorporated Law Society of Northern Ireland and the Law Society of Scotland.

This means that individual members of these societies will not have to apply for separate licences, under the Consumer Credit Act.

The group licences will entitle members of the societies to carry on the business of consumer credit, credit brokerage, debt adjusting, debt counselling and debt collecting in the same way as an individual licence.

Any member who failed to conduct his credit business in a proper manner would not only risk losing his right to the group licence but could also be disciplined by his professional body.

Under the 1974 Consumer Credit Act anyone involved in the credit business will have to apply for a licence.

The licences are being granted in three phases, with businesses dealing in credit reference, debt counselling, debt collecting and debt adjusting called in first.

So far 3,000 applications have been received from this group, which has until the end of this month to apply.

The clause dealing with group licences was written into the Act partly as a result of pressure from the legal profession. Though a number of other professions have considered applying for group licences, it seems unlikely that they will meet the necessary criteria.

To qualify for a group licence an organisation has to convince the Office of Fair Trading, which has the job of issuing licences, that all members of the group operate standards which would entitle them to individual licences, and that the governing body is in a position to ensure that these standards will be maintained.

Of the professions to explore the possibility of getting group licences so far, only the legal societies, which issue new certificates entitling members to practise each year, have yet been able to convince the Office of Fair Trading that its control over its membership is such to ensure that standards will not lapse.

The only other group expected to qualify for a group licence is the National Citizens Advice Bureau which offers free advice on credit to clients.

Players reduce King Size by 3p

By Kevin Done, Industrial Staff

JOHN PLAYER yesterday joine the battle for the king-size se tion of the cigarette market, ten porarily cutting the price of John Player King Size by 3p 43p for 20. The cut will operat from the week-end until June

This week Gallaher and Ca reras Rothmans pegged th prices of Benson Hedges Ki Size and Rothmans King Size 47p, despite the 3p tobacco dut increase imposed in the Budge

The Imperial Group, who John Player and W. D. and H. Wills subsidiaries are stronge at the lower end of the marke has launched a variety of ne brands to loosen the grip Gallaher and Carreras on th king-size market.

The John Player King Si brand was introduced a mon ago at 42.5p for 20. John Play says it will hold the price dow to 43p until June 9, despi Budget price increases 11 da ago which took the price up 46p.

Sales of king-size cigarett amount to only 9.5 per cent. all cigarette sales, compared wi 11.3 per cent. three years ag However, John Player says th changes in EEC duty arrang ments will reverse the decli and might even push up the se tor's market share to perhaps per cent.

Factory-building plan speeds up

BY ROY HODSON

PLANS for nine advance factories and an industrial estate in the north of England, disclosed yesterday, are the latest evidence of how the Government's biggest factory-building programme is being speeded up.

Under industrial expansion measures announced by the Chancellor at the end of last year, England is to have about 140 new government factories and Scotland and Wales are to have about 100 between them.

The industrial site announced yesterday is at Speke on Merseyside, next door to a Dunlop factory. The Government has bought 24 acres of land formerly owned by Dunlop for an undisclosed price.

Four advance factories are to be built there immediately to be ready for occupation by the beginning of 1977. The largest will be of 25,000 sq. ft. and the others will be in the 10,000 sq. ft. to 15,000 sq. ft. range.

The Merseyside County Council industrial development team welcomed the news last night. It has recently had a number of inquiries from companies interested in setting up manufacturing facilities in the south end of Liverpool.

Rural areas of North Yorkshire, where depopulation is a growing problem, are to have the other five advance factories announced. They will be small units—of 5,000 square feet each—and will be built at Walkerville, near Catterick, Malton, Boroughbridge, Hunmanby, and Bentham.

They are part of a programme put forward by the Development Commission for creating new rural job opportunities. The sites were chosen in consultation with the North Yorkshire County Council. The intention is that the Yorkshire factories should be built and in production by next year.

Scotland sixth new town is scrapped

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

A MAJOR change in the Government's development policies for West-central Scotland was signalled yesterday by the announcement that the Secretary of State has decided to scrap a sixth new town: Stonehouse, in Lanarkshire.

The town, designated in August, 1973, was being developed by the joint corporation which has also been responsible for building up the first and most successful of these new communities, at East Kilbride.

The decision comes after sustained pressure from the new Strathclyde Regional Council which has argued since it took office last summer that the financial and manpower resources earmarked for Stonehouse would be better devoted to tackling the extensive urban deprivation in the Glasgow and North Lanarkshire conurbations.

The decision marks the abandonment of hte new town concept which has been the foundation of the post-war "growth points" policies of successive Governments in dealing with large-scale population relocation in central Scotland.

Fewer people

Mr. Bruce Millan, the Scottish Secretary, acknowledged in a Commons statement that the decision recognised "the need to give priority to older urban areas in the allocation of increasingly scarce resources, rather than by expanding the number of new towns."

The Regional Council, which repeated its plea for halting Stonehouse when it submitted its first five-year development report to the Government earlier this week, has pointed out that as many as 250,000 fewer people are likely to be living in the region by 1981 than was expected 10 years ago when the Stonehouse plan was first considered.

Chemico GB acquired by Bemex

By Ray Dafter, Energy Correspondent

CHEMICO GB, the Brit process plant subsidiary of t U.S. Chemical Construction Co poration, has been acquired the European Bemex Group.

The move is expected to her the start of a controlled expa sion of the British compan which has been renamed Siryco said Mr. John Mayer, wh remains as managing director.

Sirycon, which has a staff about 100, is expected to increa in size by 50 per cent.

The company is involved projects worth a total of £15 although in the past year or the general economic recessi has meant that the undertaki has had nil growth.

Details of the transaction a secret but it is understood th Bemex, based in Luxembourg had to pay an appreciable amoun for goodwill and some Chemic licences, which were included in the deal. It has been agreed that Sirycon can use Chemico licences outside the U.S. and Japan.

Staff row troubles Datastream

By Keith Lewis

MR. DAVID Hunter Johnston, chairman of Datastream, a computerised information service, was yesterday trying to resolve a dispute that has arisen between employees and management.

Mr. Hunter Johnston would not comment on the nature of the disagreement, known to have involved the departure of Mr. J. G. Blease, who was chief executive of Datastream and generally recognised as principal architect of the system.

Neither would he be drawn on whether other employees might also leave.

"There has been a little local difficulty, and a delicate situation exists at the moment," he said.

In March, Datastream officially ceased to be a subsidiary of Hoare and Co. Govett and the intention remains to sell the now separate computer company. A prospectus is being prepared but has now been delayed.

Interested parties have contacted the management of Datastream, but serious discussions cannot take place until the prospectus—which is expected to contain nine months' figures and an indication of profitability for the current year—has been completed.

At present, the same 70-80 shareholders in Hoare and Co. Govett also control Datastream.

Joint clothing committee

THE BRITISH Clothing Industry's Council for Europe and the National Union of Tailors and Garment Workers has set up a joint standing committee to develop a common approach to matters of mutual concern, particularly in the European context.

The new committee will consider progress on the renewal of the Multi-Fibre Arrangement and the growth of imports.

Employees over-estimate profits, says survey

BY LORNE BARLING

MOST WORKERS adopt a responsible attitude to their companies, but lack confidence in management and believe they could work harder if necessary, according to a survey carried out by the Confederation of British Industry.

Fewer than 10 per cent. of employees are opposed to profit, but most of those questioned believe that the average company makes between £21 and £40 before tax out of every £100 worth of goods it sells. More than a quarter of managers also believe this.

Profits are at present about 10 per cent. on a turnover basis.

But 98 per cent. of employees are in favour of ploughing profits back into companies and 89 per cent. think that it is fair to pay dividends to shareholders: 86 per cent. also say it is important to them to live in a free enterprise society.

The survey, published yesterday, was carried out among samples of 1,038 people identified as shop floor workers and 231 managers from the manufacturing, mining and construction sectors.

The survey establishes that the typical employee is reasonably satisfied with his job and probably believes that his interests are being well looked after by his immediate boss. Most important to his job satisfaction is an interesting and secure job, followed by accomplishment and pay.

He is almost certain to believe that the quality of management can be improved. He is also likely to understand quite a lot about the role of profits in relation to investment and pay, but to over-estimate the size of company profits.

A total of 86 per cent. of employees believe that a good way to increase productivity is to give workers a share of the profits, but 61 per cent. have no idea how much profit their company makes.

Questions about communications showed that employees want their management to give them more information, and in particular their own immediate work unit. The degree of goodwill towards immediate bosses and shop stewards indicates that they are both good channels of information.

The final question shows that 42 per cent. of both management and workers believe they could do more work without much effort.

In small companies this figure drops to 32 per cent., while in larger companies it rises to 51 per cent.

How much profit does an average company make before tax out of every £100 of goods it sells?

	Employees %	Managers %
£0—£10	11	27
£11—£20	13	28
£21—£40	33	27
Over 40	18	6
Don't know	25	12
Average response	£31	£20

Comment: Although more knowledgeable about profits than the general public (recent research shows the average response is £40), both employees and managers considerably over-estimate the level of company profits, which on a turnover basis are about 10 per cent.

What do you think your company (a) does with its profits and (b) should do with them?

	(a) %	(b) %
Plough them back into the company	71	69
Pay taxes to Government	46	18
Distribute to shareholders	38	22
Distribute to directors	23	10
Distribute to workers	19	58

Comment: Seven in ten workers think that their company's profits are ploughed back and seven in ten think that they should be. There is a good understanding that companies pay taxes to the government but only a minority of workers think that they should. On the other hand workers think that less profit should be distributed to directors and shareholders and more distributed to themselves.

AA finds safety faults

MORE THAN one-third of vehicles examined at the Automobile Association's vehicle inspection centre at West Bromwich, West Midlands, had major safety-related faults. Even so, some might have passed an MOT test, the association said yesterday.

About 36 per cent. had worn steering mechanisms and defective lights, 38 per cent. had worn or damaged tyres and 42 per cent. a tendency for the brakes to pull unevenly.

Scottish Nationalists plan to woo the workers

BY CHRIS BAUR, IN EDINBURGH

THE SCOTTISH National Party will concentrate on industrial and employment policy initiatives at its annual conference later this month in an effort to step up its campaign for workers' votes in the Labour-dominated areas of Central Scotland.

In addition to the series of branch resolutions condemning the high unemployment and slow growth policies of Westminster governments, the party's leadership has submitted two detailed policies on industry and on manpower and industrial relations which are offered as solutions to Scotland's economic problems in a self-governing context.

The Scottish Conservative Party conference opens at Perth to-day

They represent the latest output of the party's 24 policy committees formed largely in response to opponents criticisms that the SNP was merely a "one issue home-rule" movement.

Detailed suggestions on the reform of the Health Service in Scotland will also be discussed and comprehensive proposals on housing, the environment, fishing, energy, land and education, are nearing completion.

The party's manpower and industrial relations policy recognises the right to free collective bargaining but states that it would create a new institution, the "tripartite economic council" to formulate incomes policy.

The Council, comprising members of the Government, Scottish trade unions and employers, would meet annually to agree a "national bargain" on pay, prices and dividends. This would then provide the framework for bargaining at industry and plant level. The Government would encourage compliance with national pay norms through the control of allowances on direct taxation.

The policy also says that the SNP would encourage widespread employee-participation.

George Frank (Textiles) wins currency case

By A. H. Hermann

INTEREST ON an award payab in foreign currency is payable the same currency and at a ra at which the creditor cou reasonably have borrowed mon in the country of that curren Mr. Justice Bristow ruled in t High Court yesterday.

He was dealing with the sequ to the House of Lords decision Miliangos v Frank (Textile which terminated the ancie rule that English courts co give money awards only in ste ing.

George Frank (Textiles), wh lost its appeal to the House Lords in the main suit, won y terday when the Swiss compa tried to obtain the higher Engl simple or compound interest.

The judge decided that interest should be simple inte at which money can be borro in Switzerland. The actual r applicable in this case will determined by a High Co Master.

British Rail warns of higher fares

BY ARTHUR SMITH

INCREASES IN passenger fares and freight charges are inevitable, British Rail says in its annual report, which discloses that Government support last year totalled £507m.

The report, published yesterday, is the last to be presented by Sir Richard Marsh the retiring chairman. While great stress is placed upon economies already achieved, British Rail says that short-term expedients could have a long-term adverse effect.

"In spite of the urgency of solving current national problems, it is, in the Board's view, vital to preserve a national asset in a form which will meet future requirements within a national transport framework."

Grants made to British Rail last year comprised £324.1m. towards passenger services, £66.3m. for the deficit on freight, £10.2m. for research and infrastructure, £9m. for level crossings and £97m. towards funding railmen's pensions.

This was £113m. more than the 1974 grant total, but Briish Rail points out that in real terms it represents a modest improvement after allowing for accounting changes introduced by last year's financial reconstruction.

Last year, railway manpower was cut by nearly 5,000, the locomotive fleet reduced by 111 and some 25,000 freight vehicles and 328 passenger coaches were taken out of service.

In spite of economies already effected and productivity talks now under way with the railway unions, it is clear that British Rail must continue to push up fares and charges to the limit that the market will bear in order to contain the level of public subsidy.

Announcing the latest round of fare increases which came into effect at the end of March, the railways said a further rise could not be ruled out this year.

However, there is concern within the Board about the impact of continued tariff increases on traffic volume. Careful analysis of passenger reaction is under way to determine the timing, size and weighting of the next rise.

The annual report shows that three fare rises in 1975 yielded an additional £74m. on revenue, but traffic dropped 2 per cent. from the level of a year earlier.

The Board says that it "intends to stay in and to compete actively for those types of business which rail does well and economically."

Importance is given to intercity services. By further product development and making wide use of reduced fares, it is hoped to "continue to exploit growth potential."

British Rail intends to continue investment in high-speed trains, in rolling stock depots and in track and signalling, to the limit of available finance.

"On the urban and rural services, which seek to meet social needs, coverage and standards commensurate with the limited finance available will be provided: because of the current financial situation there may well be some decline in quality."

On freight, the Board says that it is confident that it will achieve plans to increase the tonnage carried by 15 to 20 per cent. over the next two to three years.

The policy of bigger trains moving as unit loads over longer distances would be continued and this year would see the phased introduction of new locomotives.

The limited investment would be concentrated upon locomotive replacement, new wagons for power-station coal movement, high payload steel-carrying wagons and upon renewing the ageing fleet.

The report repeats the Board's view that the Government-imposed target of breaking even on freight by 1978 cannot be met "without prejudice to long-term prospects." However, studies were underway to re-examine freight strategy and better utilise available resources.

"The Board are fighting to improve their competitive position and success is heavily dependent on achieving productivity improvements and making better use of resources, lest the railways find themselves priced out of the transport market."

The Board's shipping operations lost £5.2m., compared with £1.8m. the previous year. The bulk of the deficit was confined to four services, two of which were closed last year.

The report maintains: "Where BR ships are operating in the same traffic and areas as the private sector, the profitability in relation to private shipping is comparable."

British Rail Hovercraft lost £243,500 compared with more than twice that figure the previous year. Cross-Channel results should "improve greatly" when the SRN-4 craft are lengthened to provide additional capacity, the report states.

The 29 hotels of British Transport Hotels increased operating profit to £757,000, compared with £682,000 in 1974.

On property, the report notes that, though the market was generally at a low level, British Rail Property Board increased net income in the revenue account to £16.2m., compared with £15m. in 1974.

Hawker builds new version of business jet

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AWKER SIDDELEY Aviation developing a new version of successful HS-125 business , the Series 700, which it in- nds to offer for delivery from id-1977.

With 344 earlier models of the S-125 already sold, including arly 200 in North America, the mpany decided that improve- ents to its competitors' models quired similar developments to : own aircraft to enable it to ep abreast of the market.

The HS-125 has now been -engined, with the U.S. Garrett TE-731-3 fan-jet replacing the isting Rolls-Royce Viper, and any other improvements incor- rated, to make the HS-125 a ieter, more fuel-efficient aero- ane with a much greater nge.

The price has risen, however, om the average of about .6m. for the earlier Series 600 odel to about $3.1m. for the ries 700, but this is still com- titive with other aircraft in e business jet market.

The first prototype of the proved HS-125 will fly in July is year, and after flight trials expected to win its Certificate Airworthiness, about next pril.

Already, in expectation of orders, Hawker Siddeley has laid down a production batch of 20 aircraft, with long-dated materials ordered for another 20 aircraft.

The company eventually expects to build about 36 aircraft a year, providing continued employment throughout HSA for some 1,500 workers.

Hawker is confident the business jet market is strong enough to justify launching its new model at this time. Throughout the recession of the past two years, business aircraft sales generally have held up well, reflecting the acceptance by the business community of the aeroplane as a tool of management.

With the ending of the recession, there are signs that the market for business aircraft will turn sharply upwards, not only in the U.S. but elsewhere in the world, and Hawker Siddeley wants to be ready with its competitive aeroplane when this occurs.

It also emerged yesterday that the company had made new proposals to the Government for further work on another Hawker project—the HS-146 four-engined feeder-liner, the programme put "on ice" some time ago when the world business recession hit the airliner market.

Washington Concorde flights increased

BRITISH AIRWAYS is to increase the number of its Concorde flights to Washington to two a week from May 29, much earlier than it had originally planned, *writes Michael Donne.*

It has been encouraged to do this by the response to its sales campaign in the U.S., with bookings flowing in at a substantial rate, as well as by the need to get the maximum benefit from the 16 months' trial to which Concorde is being limited initially by the U.S. Government.

The inaugural British Airways service from London is being made on May 24, with a corresponding service from Paris by Air France, subject to outstanding legal hurdles being overcome in the next two weeks.

Hurdles

These hurdles include objections by the Environmental Defence Fund in the U.S. to the legality of the U.S. Department of Transportation's original decision permitting the 16 months' Concorde trial, and other environmental objections from local communities around Dulles International Airport.

From May 29, Concorde flights will leave London for Washington on Saturdays and Thursdays, returning to London on Sundays and Fridays. Flight time will be about 3 hours 50 minutes in each direction, and the return fare will be £704 (present first-class plus 20 per cent.).

Company reports rewarded

The Accountants' Awards for 1976 for the best company reports were presented yesterday by Sir Lindsay Ring (left), Lord Mayor of London, to Mr. Peter Prior (centre), chairman of H. P. Bulmer, and Mr. R. G. Cave, chairman of Smiths Industries.

Water shortage may only be local, says Shore

BY DONALD MACLEAN

WATER SHORTAGE this summer may cause local rather than national problems, Mr. Peter Shore, Secretary for the Environment, said yesterday.

The severity of the water shortage depends on rainfall in coming weeks, but, Mr. Shore stressed after meeting water industry leaders yesterday, the problem should be seen as relevant to certain districts.

There were particularly difficult areas such as Leeds, parts of Lincolnshire, Northamptonshire and Cambridgeshire, Somerset and Devon, Peterborough and South Wales.

National rainfall is placed at some 615 millimetres in the year to end-April, against an average for the period of 905 mm.

In April, the situation was worse in comparative terms, with 19mm. recorded, against an average for the month of 61mm.

NEDC to review industrial strategy progress

BY ADRIAN HAMILTON

THE PRIME Minister is expected to take the chair at an all-day meeting of the National Economic Development Council on July 7 to consider progress in the first phase of the Government's new industrial strategy.

At the meeting, representatives of industry, unions and Government should have the results of the deliberations of about 40 groups studying problems in individual industries.

The main emphasis of these studies has been concentrated on the short-term problems of bottlenecks in the economic upturn and broader views of the prospects.

Sir Ronald McIntosh speaking at the end of a monthly NEDC meeting yesterday, said that already the main problem areas would appear to be skilled manpower steel supplies and finance.

Of these, manpower problems would seem the most serious and are already emerging in such areas as foundries, machine tools, construction and electronic computers.

On the questions of finance and steel the picture is more uncertain. While the manufacturing companies are clearly expressing apprehension—particularly the medium-sized concerns—the Steel Corporation and the City institutions seem more confident of their ability to meet the demand in the upturn.

The steel central committee is to meet on Friday to consider the problem of steel. The report of the special committee considering finance is expected next month.

The various reports have been prepared under a tight schedule and are due to be completed by early next month, to allow time for the participants in the July meeting to consider them.

Considerable scepticism has been expressed about the real meaning of the Government's "industrial strategy," but Ministers have promised to take early action to meet the recommendations of the various studies.

Share dealings analysis

THE Stock Exchange's second one-day transaction analysis — carried out on October 8 last year and published to-day — shows that among London brokers, institutions accounted for 62 per cent. of turnover in domestic equities against 55 per cent. in the previous analysis on August 7, 1974.

For country brokers, private clients accounted for 57 per cent. of business in these securities, compared with 50 per cent. in the first analysis.

Self-employed fall behind in income

EVIDENCE of a significant shift n the distribution of incomes om the self-employed to the age and salary earner is con- ained in yesterday's Economic rogress Report from the reasury.

The report says that between 974 and 1975 disposable income —the money left after deduction f taxes and national insurance ontributions—rose by 22 per ent.

The increase was exactly natched by the rise in prices, so he real disposable income did no change in that period.

Within this unchanging total, however, wages and salaries rose in money terms by 28½ per cent. Estimated income from self-employment rose by only 12¼ per cent.

"There has been a significant ise in income from employment s a proportion of total incomes," e report says.

"In 1967, income from employ- nent represented 67 per cent. of gross national product; by 1975 he proportion had increased to 73 per cent."

The counterpart to this rise in he share of income from mployment was a decline in the share of company income. Over the past 20 years, about 8 per cent. of gross domestic product has been transferred from the company to other sectors.

The biggest annual fall in the company share was in 1974, but there was a recovery last year when the disposable income of companies rose by 20 per cent. to £7.1bn.

The improvement in Britain's prospects are summed up by the Treasury from data available up to late last month. Economic indicators show that production, and export demand remains particularly strong. Personal consumption has continued to grow probably at the expense of saving.

The number of job vacancies has been rising since the end of last year and there has been almost no increase in the number of registered unemployed since February.

The rate of increase in retail prices continues to decelerate and the current account deficit on the balance of payments was very much reduced in the first quarter.

The black spot has been the sharp fall in the exchange value of the pound.

Better deal sought for managers

FINANCIAL TIMES REPORTER

NO OTHER country has treated s managers with such "stupid isregard" as Britain, Mr. David rr, chairman of Unilever, said esterday. In return for work- g long hours and making ecisions affecting the prosperity millions of working people, e efforts of managers were ing constantly denigrated.

They were accused of being zy and inefficient and, by plication, to be "on the make" t, in reality, nothing could be rther from the truth, he said.

At the company's annual meet- g in London, Mr. Orr called on e Government to lift the rushing burden of taxation on ose who take heavier responsi- lities" as soon as the country's onomic circumstances per- itted. Such a move would do wonders for morale.

The contribution of Britain's managers was critical to achieving the economic miracle that Mr. Denis Healey, Chancellor of the Exchequer, had forecast. Yet there was no other country which had treated its managers so badly.

Managers had seen their differentials eroded, their incentives removed and a massive decline in their real income.

"They know that inflation must be beaten and will support measures to defeat it. They know that tihs means making sacrifices.

"They are as ready as any other section of the community to make those sacrifices. But they undoubtedly feel they are carrying more than their fair share of the burden."

Port Talbot plan

BY ADRIAN HAMILTON

GOVERNMENT decision on pansion of capacity at British eel Corporation's Port Talbot rks and the consequential asing-out of steel-making at otton still seems no nearer spite 16 months' delay.

Industry Department officials, swering questions at a Com- ons Select Committee on tionalised Industries yester- y, could give no hint when the cision might be made.

Most of the investigations had en made into other solutions, cording to Mr. P. W. Ridley, puty secretary at the Depart- ent, but Ministers had still to ke up their minds.

He and other officials agreed th committee members that the lays in the decision were damaging both in financial and production terms. But the delays were inevitable because of the nature of the problem which demanded time to explore possible alternatives.

"The issue is primarily one of social and employment considerations," Mr. Ridley said.

There had been a large number of alternative suggestions to British Steel's proposals and the department had had to undertake a series of investigations into these.

Mr. Ridley and Mr. S. J. Gross, Under Secretary in the department's iron and steel division, vigorously denied accusations that the delays were due to the "inadequacy" of the department's machinery and expertise in reviewing BSC's proposals.

Staff fail in Board bid

BY ERIC SHORT

TWO staff members of Friends' ovident Life Office failed to t elected to the Board at yester- y's annual meeting. An empt by two other candidates so was defeated.

In each case voting was by ow of hands but the demand a poll vote of members esent in respect of each candi- te was accepted by Mr E. W. illips, chairman of the com- ny. The result will be nounced to-morrow.

The candidates had been put up by members of the staff of Friends' Provident called the "76 Reform Group." Objectives involve opening up channels of communication between the Board and the staff in an effort to enable staff to gain influence on the policy-making decisions of the Board. The group hoped to achieve this by putting up its own candidates for election, a move opposed by the Board.

With little natural energy resources of its own, Spain is building ten reactors bigger than any in Britain. **David Fishlock reports.**

Spain leapfrogs into the nuclear era

NO IMAGE more firmly establishes the fact that Spain has leapfrogged more highly industrialised nations to arrive in the nuclear age than that of a leviathan 1,000-megawatt reactor pressure vessel being manoeuvred around a hairpin bend in a rough mountain road. Last week Spain played host in Madrid to the world's nuclear industry, at a Foratom conference attended by King Juan Carlos. This afforded the nation a chance to demonstrate just how quickly one of the world's fastest-growing nuclear power programmes has progressed.

Spain, almost bereft of untapped indigenous energy resources except for uranium, has elected to go for a nuclear programme on a scale matched only—in proportion to electricity demand—by France and West Germany. Sr. Juan Villar Mir, Spain's finance minister, announced at the conference that his government planned to invest about £8bn. over the next nine years.

The National Electricity Plan calls for 22,000 MW of installed nuclear capacity by 1985. For comparison, Germany plans 50,000 MW and the U.K. a mere 15,000 MW.

In addition to three small "prototype" stations, Spain has seven reactors at an advanced stage of construction, all bigger than any attempted by Britain, the first of which are expected to produce their first electricity next year.

In the past year it has awarded contracts for another eight reactors of the same size, nominally 1,000 MW, scheduled to come on-load between 1980-1982. Another eight will be ordered by 1978. Where to-day about half the nation's electricity comes from imported oil, the Government's goal is that nuclear energy should supplant it as the dominant source by 1985.

Traditionally, Spain has consumed a greater proportion of its energy as electricity than perhaps any other nation. Most of it is generated by small privately-owned utilities, with the State accounting for only about one-fifth. A non-profit-making consortium known as ENUSA, composed 60 per cent. of State-owned interests and 40 per cent. of utility interests (the seven biggest), co-ordinates supply and distribution and submits medium-term national plans to the Government.

Another Spanish tradition, however, has all but been sacrificed in the enthusiasm to maintain high electricity growth. There is little room for "*mañana*" in programmes that call for systems as complex as nuclear stations to be completed in less than six years.

"A very fine environment in which to work," is the comment of one senior executive involved in the Spanish nuclear programme. Suppliers are responsive to novel and difficult demands. Local industry is well organised, he believes, and Spanish *engineers are proving* remarkably adept at meeting a challenge that has stretched engineering industries all round the world.

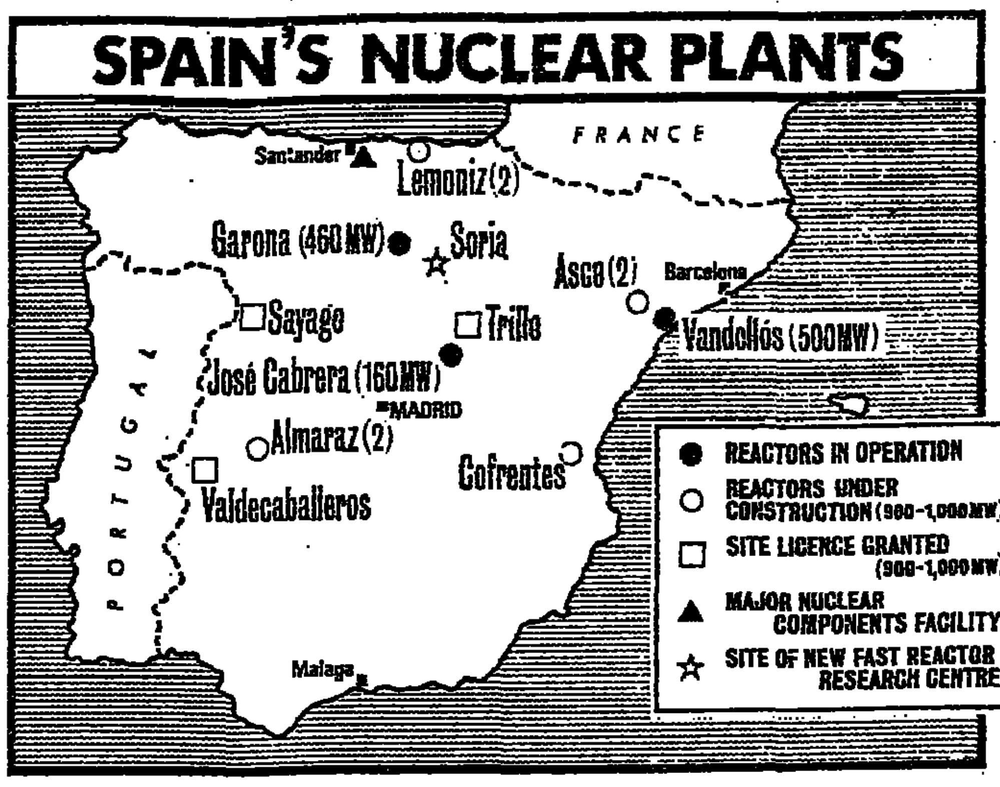
Imported

The nuclear technology itself is being imported but the Government sets steadily-rising levels for the proportion that must be manufactured on Spanish soil. For Westinghouse Electric, which secured contracts to supply six of the first seven big nuclear steam supply systems (NSSS), the proportion was 15 per cent. at the outset rising to 32 per cent. for the last of the six. For the five NSSS contracts it won (of eight awarded) last year the proportion approaches 50 per cent. Moreover, the 1,000 MW turbo-generators for all the new nuclear stations are being built in Spain by Westinghouse Electric Española.

The quest for self-sufficiency in manufacture takes another important step forward this summer, when Spanish industry commissions its first "green field" factory for nuclear component manufacture. A Government edict in 1974 simply declared that by a specified date it would give its blessing to a consortium dedicated to nuclear manufacture. Industry promptly obliged with Equipos Nucleares (ENSA), owned jointly by Babcock and Wilcox Española, Maquinista Terrestre y Maritima, Mecanica de la Peña, and Stein Roubaix es Española.

ENSA's first factory is dedicated to some of the biggest and most demanding of all nuclear components—pressure vessels, pressurisers and steam generators. It is scheduled to deliver Spain's first home-made reactor pressure vessel in 1978. The facility, which is being *equipped with Breda (Italian)* manufacturing technology, will be licensed to make all four PWR designs and one BWR design available in Europe. It has been designed to fabricate complete sets of heavy components for up to four NSSS a year. A second factory to be built alongside will be devoted to sculpting the sophisticated stainless steelwork of reactor "*internals.*" *The immediate aim* is to reduce the imported portion of the NSSS to certain special materials and electronics.

Westinghouse—which makes no secret of the fact that Spain is its brightest market prospect outside the U.S.—is reconciled to the prospect of Spanish independence within ten or 15 years. It has already watched Germany and France move this way, after initially adopting the Westinghouse pressurised water reactor (PWR). Its executives see Spain joining these nations as nuclear exporters in the 1980s.



For the present, however, its position is strong. In pursuit of the philosophy of "total commitment to a market" it has built up an engineering team in Madrid several times the size of that of its rival U.S. General Electric, with computer links to company headquarters in Pittsburgh and Westinghouse Nuclear Europe in Brussels.

Even so, executives admit they were rocked by the decision of the State-owned Unión Eléctrica last year to order a PWR from its German rival Kraftwerk Union. The utility was Spain's first to go nuclear, with a 160 MW Westinghouse reactor. The José Cabrera station, generating since 1968, operated at a load factor exceeding 80 per cent. last year, according to Sr. Eduardo Díaz, a vice-president of the utility.

Kraftwerk Union "came in with a financing package we couldn't touch," says Westinghouse ruefully. *Finding the cash* for capital-intensive nuclear projects is enough of a problem for Spain's small utilities—and Unión Eléctrica is only medium-sized even in the Spanish context—to guarantee interest in any cut-price offer, provided only that the vendor can demonstrate "proven technology" with a commercial reactor operating in its country of origin. The market is big enough to be attracting five reactor vendors—Westinghouse, U.S. General Electric, Babcock and Wilcox, Framatome and Kraftwerk Union.

Unión Eléctrica stepped out of line in a broad agreement among Spanish utilities to standarise their nuclear requirements. But Sr. Díaz remains confident that the German PWR—itself originally founded on Westinghouse technology—will not upset the manufacturing schedules. Spanish industry is expected to supply about two-thirds of the value of the complete station—the same proportion as for a new Westinghouse project. And Sr. Díaz stresses that his company is still "very content" with its old nuclear partner.

In addition to cash, uranium supplies remain an uncertainty for a big nuclear programme. Annual demand for enriched uranium is expected to increase nine-fold, from 90 tonnes next year to 830 tonnes by 1985. So far the Government has confirmed only that it has found enough indigenous uranium to meet its full needs until 1980. But last August it authorised the national uranium exploration plan on which it expects £100m. to be spent over the next 10 years.

In Madrid last week nuclear fuel experts admitted that Spain expected to depend on foreign uranium "to a considerable extent, *probably greater than 50 per cent.*" Currently domestic yellowcake production is about 200 tonnes a year, and is expected to rise to 800 tonnes by about 1979. The latest estimates indicate "reasonably assured" reserves of 10,000 tonnes, with an equal amount "expected to be confirmed, perhaps even substantially surpassed in the near *future.*"

The foundations of a domestic nuclear fuel industry have been well laid by the Junta de Energia Nuclear or Nuclear Energy Board (known in nuclear circles simply as the Junta). This highly influential body—it is deeply embroiled in all Spanish nuclear decisions, including *safety* and site licensing—has been given responsibility for the new exploration programme.

The accompanying map shows only *those* nuclear stations for which site licences have already been granted. A further 14 applications have been made to the Junta, which on past performance can take as long as 40 months (in the case of Trillo) to come to its decision.

The Junta's responsibility stops short only of commercial exploitation. At its helm as general manager, however, is a man who makes sure that it will go as far down the road towards commercial practice as is required. Sr. Francisco Pascual is a marine engineer who has spent 23 years with the Junta, with only a two-year break when he managed a nuclear engineering group.

Currently, the Junta is advising the consortium ENUSA, set up in 1972 to provide fuel services, on the planning of its first fuel fabrication factory. This is destined for Salamanca province and will have an initial annual capacity of 400 tonnes, increasing to 800 tonnes. On the Junta's advice, ENUSA has licensed both Westinghouse and U.S. General Electric technology for this factory.

For Britain, with no competitive "proven technology" to offer on the reactor side, the only sector in which it can seek big business from the Spanish nuclear programme is the reprocessing of spent nuclear fuel. British Nuclear Fuels already has contracts for the reprocessing of spent fuel from the José Cabrera and Garona reactors.

The U.K. Government gave British Nuclear Fuels permission in March to expand its business in reprocessing overseas fuels, since when it has begun *to mount a strong sales* campaign in Spain, in partnership with France and West Germany, collaborators in the tripartite marketing group United Reprocessors. The Spanish market is expected to grow from 20 tonnes of spent fuel this year to 525 tonnes by 1985. At current prices averaging £135,000 per tonne for reprocessing and another £15,000 per tonne for transport of the highly radioactive fuel, this indicates a reprocessing market worth about £80m. a year by the mid-1980s when the big new reprocessing plants in Britain and France are expected to come on-stream.

Ambitions

But the size of the Spanish nuclear programme is great enough for it to play hard to get. Unlike the programmes of, say, Sweden or Switzerland, Spanish nuclear ambitions are bold enough to justify a national reprocessing facility of say 1,000 tonnes annual capacity by the 1990s. Spain's participation in the international Eurochemic project, and the Junta's own experience of a pilot reprocessing plant, have encouraged ENUSA and the Junta to set up a joint study of a national reprocessing plant, including storage facilities where the spent fuel might be kept safely until the plant was ready.

A prolific by-product of a 22,000 MW nuclear power programme will be plutonium which raises the question of Spanish plans for re-using this man-made fuel. The Junta has a small zero-energy experiment called Coral and loops for circulating molten sodium coolant to test fast reactor components. Later this year, says Sr. Pascual, the Junta plans to start construction of a new research centre at Soria, north-east of Madrid, to be devoted to the fast reactor.

The Spanish electrical utilities themselves do no research of their own but have links with fast reactor teams elsewhere in Europe. For instance utility staff have been seconded to the 300 MW prototype fast reactor under construction in West Germany, under a joint German-Benelux project. Spanish tactics for the moment appear to be to keep a watching brief on all three major fast reactor projects in Europe—in Germany, France and the U.K.—before deciding which route it should follow.

LABOUR NEWS

NUR executive to meet on ports strike call

BY IAN HARGREAVES, LABOUR STAFF

DEMANDS for a strike by railwaymen at the British Transport Docks Board's 19 ports will be considered in the next few days by the executive council of the National Union of Railwaymen.

About 3,500 rail men from the ports have been refusing to work *overtime since the beginning of* this week, and yesterday, NUR headquarters in London received requests from members in Hull, Grimsby, Immingham, Southampton and Newport for a national strike to start from Sunday.

Already, the overtime ban has led to hold-ups in container loading at Southampton and problems with berthing ships at Hull. The NUR men involved operate cranes, lock gates and the link spans used in roll-on/roll-off services.

The dispute has three causes: a disagreement on new rates of overtime pay; a claim for extra holiday and a refusal by the docks board to ensure that the NUR is allowed to operate a closed shop.

A spokesman for the union said the docks board had agreed to base overtime payments on a higher basic rate if the amount of overtime working was reduced. The union had cut overtime, but the pay structure had not been altered.

Commitment

The Board replied that it cannot consider improvements in overtime pay or extra holidays under the terms of the pay *policy, as the men have already* received the full £6 permitted this year.

The union is demanding a commitment to make the necessary adjustments when pay policy allows.

On the closed shop question, the union points out that the docks board is the only public transport undertaking not to have a compulsory union membership agreement. The Board's view is that it is not its function to enforce closed shops.

The demands for an all-out strike came from the ports with the largest NUR membership. Well over 2,000 men are represented by branches at Southampton, *Newport* and on the Humber.

A complete stoppage would have a serious effect on freight traffic at these ports.

● The joint inquiry into the dispute over how men should be promoted to skilled jobs at Crewe railway workshops, which led to strikes by the Amalgamated *Union of Engineering Workers* and the National Union of Railwaymen, opened yesterday in Crewe.

The trouble began when a semi-skilled NUR man was promoted to a job as a metal machinist.

The AUEW men struck and agreed to return to work when the man was demoted again, thus sparking off a stoppage by NUR men. The disputed promotion and six other similar cases have been frozen pending the outcome of the inquiry.

NHS staff back 4½% pay deal

By Our Labour Staff

THE Confederation of Health Service Employees decided yesterday to support the 4½ per *cent. pay policy.*

But in voting 20 to five to support the policy, the national executive of the 143,000-strong union added its "grave disquiet at failure to introduce a new prices agreement."

Mr. Albert Spanswick, general secretary, said: "The only price increases we can accept are those which arise directly from increased manufacturers' costs and not those for increased profitability."

Although membership substantially supported the policy, some of the executive claimed that all restraints in the fight against inflation were coming from the union side.

Pit strike move

A COLLIERY official alleged by 1,400 miners to have been "too bossy" was yesterday put on "paid leave for the time being" so that the miners could resume work at Clipstone Colliery, near Mansfield, Nottinghamshire.

Union leader attacks rail board policy

THE BRITISH Railways Board and the Government were strongly criticised by Mr. David Mackenzie, *general* secretary of the Transport Salaried Staffs Association, at the union's annual conference in Scarborough yesterday.

Mr. Mackenzie identified three areas where he believed BRB policy was weak. First, the TSSA "totally rejects the Board's view that fares must be increased to maximise revenue regardless of how many passengers are lost.

"Otherwise, the absurd view *that only the rich travel by train* will become a self-fulfilling prophecy."

Second, the Government's instruction that the Board must get rid of the deficit on freight services by 1978 had caused the BRB to be "defeatist and not prepared to fight for freight traffic."

Third, the Board should reaffirm that further cuts in the rail network would be self-defeating and would not save money.

"Three years ago, the Board convinced the then Tory Government of *this*. They should be saying it again as strongly now."

Too much of the network had already been cut in the past 10 years, Mr. Mackenzie said. "But now already the Board are secretly planning a programme of closures for all regions if more Government money is not provided."

The public was appalled at the direction Government policy seemed to be taking, "particularly since it flies in the face of every Labour Party policy commitment."

"Despite the many promises *we received, neither the rail* Board nor the unions were consulted at any stage of drawing up the document." Mr. Mackenzie added.

Closed shops forecast

By Our Labour Staff

CLOSED SHOP agreements will be "much less brutal" in future because of public awareness of the dangers of *injustice* to individuals. Mr. Leo Harrison, chairman of the Confederation of Employee Organisations, said in his annual report to delegates yesterday.

But, he warned, continued support for those resisting closed shops was of great importance, especially in education

Now a pat on back for Ford workers

BY OUR LABOUR STAFF

WORKERS at the Ford plant at Halewood, Liverpool, who were criticised for poor productivity in March, received congratulations yesterday from the operations manager Mr. *Albert Caspers.*

He said in a letter sent to 10,500 employees in the assembly and body works that the year had started well in January and February and April had been the best month *for almost two years.*

On 41 days this year Halewood had produced 900 cars a day, a level reached only three times during 1975. On 17 days this year 950 cars a day had been achieved and on one day last week the 1,000 mark was attained.

"The improvement is a credit to efforts of employees *at Halewood and I am sure* everyone must take pride and satisfaction in the performance. Although we have not met target figures set at the start of the year, the achievement in April must give us the *confidence to know that they* can still be achieved," Mr. Caspers added.

Halewood has produced nearly 70,000 cars out of an annual target of 225,000.

Commercial travellers to merge

By Our Labour Staff

ABOUT 14,000 commercial travellers decided yesterday to merge with the Association of Scientific, Technical and Managerial Staffs.

The United Commercial Travellers *Association voted* 7,719 in favour of the merger with 3,012 against. It is expected to join the association within two months.

ASTMS represents about 5,000 commercial travellers already and claims that there are another 30,000 potential members in the U.K. Mr Clive Jenkins, ASTMS *general secretary,* plans to launch a recruitment campaign this week-end at the commercial travellers' annual conference at Knutsford, Cheshire.

As part of its campaign, ASTMS will approach all companies where it has negotiating rights to seek to represent sales staff.

Local authority staff accept £6

BY DAVID CHURCHILL, LABOUR STAFF

ONE OF THE LAST big groups of workers still to settle their pay claim under the present policy yesterday accepted £6 a week increases payable from July 1.

More than 400,000 local government workers—mainly members of the National and Local Government Officers' Association—*will receive the increase which* was accepted by their representatives at a meeting with employers yesterday.

Last year, local government workers received increases of up to 25 per cent. just before the *pay policy came into force.*

Some local government staff in London are still in dispute over a weighting allowance for living in the capital. Their claim, for a 20 per cent. increase in the allowance to keep pace with rises in the cost of living, will go to arbitration next week.

Shift to right

With most of the results of elections to NALGO's 70-strong national executive now declared—*those for the North-West area* are still to come — it is clear there has been a slight shift to the Right.

In recent years, NALGO *has* become increasingly militant, with a number of selective strikes and work-to-rules. Last year the national executive supported 37 cases of industrial action, and earlier this year eas clerical staff were involved in a dispute over regrading.

Tory intervention

Only two recognised Left-wingers were unseated in the ballot and replaced by moderate candidates, but a number of NALGO Action Group candidates, a "ginger group" which aims to give the union more collective strength in disputes, were defeated.

Although there is not a strong Left-wing faction on the union's executive, the elections had been the subject of a controversial intervention by the Conservative Party's trade union department, which collated and circulated privately a list of moderate candidates.

Mr. John Bowis, head of the department, said last night that he was "very pleased" with the swing to candidates holding moderate views.

Secret ballot urged for worker-directors

BY OUR LABOUR STAFF

EMPLOYEE-directors should be elected by secret ballot and not *constitute more than one-third* of any supervisory Boards, the Association of Investment Trust Companies says in its evidence to the Bullock Committee inquiry on industrial democracy.

The association adds that it does not in any case *accept the* case for a departure from the traditional single Board structure, but that if twin Boards are to be countenanced, worker-directors should not be responsible to trade unions.

Although *the association is in* favour of "greater involvement" for employees, it takes the view that industrial democracy lies "in consultation with employees on matters of special concern to them on which they can make a constructive contribution, rather than in worker-representation in the board-room."

Of particular importance was that all members of Boards should not see themselves as responsible to sectional groups because of the dangers of "internal confrontation."

The association notes that the proposals for two-tier Boards are *significantly vague on the legal* responsibilities of the members of a supervisory Board and on whether such directors have a fiduciary duty to the company or to those by whom they are nominated."

Any idea of forcing schemes for employee-participation" on companies is deplored in the evidence.

But the association adds that if a mandatory system is accepted by the Bullock Committee, it should not apply to companies with less than 2,000 employees.

New Job-centres opening

A FURTHER 175 jobcentres, the agency-style, High Street bureau, which *have taken over from the* traditional labour exchanges, will be opened during the next 12 months bringing the total to 359, Mr. Richard O'Brien, chairman of the Manpower Services Commission, said

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● OPENCAST MINING

U.K. takes big step in draglines

OVER 60 per cent. of the components of a walking dragline to be built at the Sisters opencast coal site, Northumberland, will be British. This represents a major breakthrough for U.K. technology in this field which has been dominated in the past by American companies.

Bulk of the machinery, including the walk mechanism, will be built by Ruston Bucyrus, Lincoln. *Major fabrications, including the tub, walk shoes and main beams, will be by F. H. Lloyds, of Wednesbury, Staffs.* Ropes and chains will also be British, only the electrical machinery will be made in the U.S.

Work has already started to prepare the base on which the new machine will be assembled. Called the 1260-W, it will have a working weight of about 1,500 tons and will "sit" on a 50-foot diameter base. When it walks—at a top speed of about a sixth of a mile an hour—it will use two feet, each 9 foot wide and 54 foot long.

The dragline bucket, suspended from a boom 260 foot long, will scoop 32 cubic yards at a time. Its dragline rating (bucket weight plus load) will be about 85 tons.

The new machine will be owned by the National Coal Board Opencast Executive and operated under agreement by Derek Crouch (Contractors), Peterborough, PE6 7UW (0733 222341), which operates the *Sisters site, near Morpeth, where* the machine will work.

It is taking over from Crouch's "Big Geordie" the largest walking dragline in Europe, built about eight years ago by Bucyrus Erie.

Big Geordie, which is to be leased to the *NCB* will "walk" to a new 2,000 acre site at Butterwell, 2.6 miles from the Sisters site. The Butterwell site is to be worked by Taylor Woodrow. During its walk to the new site in 1977, Big Geordie, which has a 65 cu. yd. bucket, will cross the main London-Edinburgh railway line at Stobswood Crossing (supervised by British Rail engineers), the River Lyne and three C-class roads. The machine is valued at about £8m.

Another Ruston Bucyrus machine—the first of the 1260-W U.K.-built models—is already under construction for the NCB to work the new Coalfield Farm, South Leics., open cast site. This machine should be in operation in September and is being assembled by Sir Lindsay *Parkinson.*

The NCB estimates that because the new machines will have a large British content delivery time has been speeded by about two years, and the spares problem is simplified.

Ruston Bucyrus says that it has plans to build up to eight more 1260-Ws and has submitted overseas tenders to supply some six machines. The British-built content of these later machines will increase to about 85 per cent. This will then include the electrical machinery and the electronic controls. Because of supply difficulties, the high carbon steel tube required for construction of part of the boom will be imported from the U.S.

The new 200-acre site at Coalfield Farm is to be operated by Merriman Meighan. It contains some 4m. tons of coal with a low overburden to coal ratio of 4.6:1. The coal will be removed at a rate of about 20,000 tons/week for the next four years. The coal will be collected at a disposal point, which will feed a 3.2-km overland conveyor run*ning in a disused railway cutting* to the South Leicestershire colliery 2,000-ton bunker. This will automatically feed five coal trains a day on a special rail link.

When the new site was first proposed there was considerable public opposition, but now the District Council is considering NCB plans to restore the site as an amenity area. As the River Sence has had to be diverted to work the site, the plans include a park and large lake for boating and fishing, as well as a wild life reserve, a football pitch and a venture playground.

● CONSTRUCTION

Windows go in faster

FIXING WINDOW frames in cavity walls is normally a complicated and time-consuming job. The cavity must be closed with brick, frame fixings must be inserted, and joints sealed in mastic. Most of this work can, however, be eliminated by using an extruded rigid PVC cavity closer called "Dacatie," developed by Radway Plastics, of Solihull.

Radical cost reductions are claimed as well as considerable technical advantages. The product, patented world-wide, has proved so successful that Radway is seeking licensees to manufacture and sell it in all countries outside Britain where cavity walling methods of construction are used.

Licensing inquiries are being handled initially by Radway's *licensing consultants,* Shekell Mooring of Shatterford, Bewdley, Worcestershire DY12 1RG (Tel.: 02997 209).

With standard wooden windows, two lengths of "Dacatie" are nailed to each jamb of the window. The window is placed in position on the sill, and the two leaves of the wall are built on each side of the PVC extrusion, which forms the cavity closer and acts as a vertical damp-course. Nylon ties, sliding in key-hole slots formed in the extrusion are *used to tie the* frame into the brickwork. At least ten hours of skilled work are cut out.

Other sections are available for use with steel or aluminium window or door frames.

Fire-proof timber

HICKSON'S Timber Impregnation Company (GB) is establishing a plant to supply "non-com" exterior treatment as a service to timber fabricators, sheet materials trades and civil engineers.

It will consist of an impregnation unit capable of operating both a vacuum/pressure and a double vacuum cycle, a pre-drying area, curing kilns and an *appropriate handling system,* all under cover. Experience in plant design has already been gained by Koppers Company, who developed the process in the U.S. and by Non-Com Europe, an associated company within the Hickson Group already marketing the product in mainland Europe.

Flameproofing achieved is equivalent to conventional flame retardants of the phosphate type. But NCX treatment offers major advantages over existing processes.

Decorative timbers such as hardwood panelling, glue-lam components and sheet linings may be flameproofed yet retain their good appearance.

Hickson, Castleford, West Yorkshire WF10 2JT. Castleford 6565.

● WATER SUPPLY

Standby for drought emergencies

BOOSTER pumping services geared specifically to the requirements of water authorities have been put into operation by Sykes Pumps, Woolwich Road, Charlton, London SE7 7AP, to meet the growing and urgent demand to supplement water supplies.

Applications include the boosting of mains to restore falling delivery pressures, the direct feeding of permanent pumping installations where diminishing sources create difficulties of abstraction, pumping into trunk mains for transfer from areas not so severely affected and the direct filling of reservoirs.

Boosting mains is among the more usual applications for emergency pumping services. This normally occurs when a diminishing pressure makes it difficult or impossible to meet the demands at the outer limits of the delivery main. This is overcome by picking up the supply and simply overpumping to increase the pressure within the line.

Typical of a direct feeding application is one which took place in the West Country when a fall in pressure caused a sudden loss of supplies in a *village which was at a higher* level than the rest of the area. Two Sykes 3-4 inch (75-100 mm) three stage high pressure pumps were put into position at the failing river source, pumping directly into the main pumphouse and chlorination plant and, operating at a total head of some 600 feet (182m), restored supplies.

Sykes is at Woolwich Road, Charlton, London SE7 7AP (01-858 8121).

● METALWORKING

Soldering by battery power

RECHARGEABLE nickel-cadmium batteries power the Model B.50 soldering iron developed by Engel GmbH—it should be capable of up to 100 operations on one charge. Recharging takes eight hours.

The iron is fitted with a bit for work up to 2.5 sq. mm. and heats to an operating temperature in the region of 350 degrees C in about seven seconds.

Included in the kit is a cleaning pad and screwdriver, as well as the battery charger. Working from the standard mains supply, the recharging unit can be used as a bench holder for the iron.

Made in Germany, the soldering iron is available from Kelgray Products, Bywell House, South Godstone, Surrey (034285 3003).

● HANDLING

Accurate guidance of webs

ANY MACHINE fed by a reel of material (or a web), such as are used in printing, paper, textiles or plastics factories, can run into production bottlenecks if the web is not precisely positioned during its progress through the machine.

This can be due to stretch or lateral deformation due to humidity or heat, among others.

Simon-VK has improved its JHRH web guiding system so that the power pack can be situated up to 15 metres (50 feet) from the sensing head on the machine. This enables the unit to be sited outside hazardous areas which would normally necessitate the use of explosion-proof motors. It can also be re-sited to suit particular working conditions in order, for example, to comply with health and safety requirements.

Existing models can be modified to incorporate these improvements, which are a result of a *development programme undertaken* when Simon-VK took over the design and manufacturing rights of JHRH control web guiding systems.

Simon are at POB 31 Stockport, Cheshire SK3 0RT (061 428 3600).

● FINISHING

Plater runs on linear motors

ONE OF the main displays on M & T Cruickshanks' stand at the Surface Treatment and Finishing Show, will be a new automatic electroplating plant with transporters driven by linear motors. The Show is at the National Exhibition Centre, Birmingham, May 18-21.

The plant is one of two ordered by *Prestige for its* Burnley factory, where it will nickel-plate components in the houseware ranges using M & T's processes including Superlume II, Superbarrelume and the new Nickel-Iron.

Advantages the linear drive has include precise control, reduction in wear and maintenance, and smooth movement—important for in-plant safety, especially when large jigs and loads are handled.

Other products to be launched by M & T at the show include Zylite Zincate B, a cyanide-free zinc; Chromate Passivate ICP 66; Fumetrol T in tablet form; and available for the first time in the U.K., the *Linnhoff* polyethylene phosphating barrel with automatic doors.

M & T Cruickshanks is at 82 Hagley Road, Birmingham B16 8PX (021-454 7401).

● PACKAGING

Automatic wrap for fibre bale

MIA (Sheffield) has completed a shrink-wrap line for ICI Fibres, Terylene Works, Wilton. The *line is designed to give a heavy-*duty, all round wrap to bales of staple fibre on a fully automated basis.

Bales of 500 lb weight in two basic sizes are supplied at random to the MIA line by overhead hoist where they are pushed through a web of polythene film (200 micron thickness) to two separate sealing stations, the first forming a seal behind each bale and the second forming an envelope on each side and spot welding the film into position.

The encapsulated bale proceeds through an electrically heated tunnel for completion of the shrinkwrap operation.

Designed to cope with the pro*jected future output of this* shop the MIA line is capable of an output up to 60 bales per hour.

MIA is at Julian Road, Wincobank, Sheffield, S9 1FY. 0742

● DATA PROCESSING

COM bureau has twins

FOLLOWING a five-month evalu*ation of the Datagraphix 4550* minicomputer "front ended" COM recorder, UCSL Datacom has installed a second, fully compatible machine.

During the evaluation more than five million frames of output were filmed, involving over *400 different client applications.* Datagraphix software proved extremely versatile and flexible and coped with the most difficult input and output requirements.

UCSL is planning to simplify users' problems by removing implementation of COM software on the client main frame to the front end equipment.

UCSL, Station House, Harrow Road, Wembley, Middx., HA9 6EB (01-903 4851).

More pads for data

SIX ADDITIONAL input devices and improved software editing are incorporated in the latest Datapad system from Quest Automation, Ferndown Industrial Estate, Stapehill, Wimborne, Dorset BH21 7NP, (02017 6111).

The 16 Datapads in the new system, and their accompanying 32-character display units, can be located up to 1,000 feet from the controller, simplifying installation in large buildings.

Datapad allows an operator to enter data to a computer without any specialist training. *Alphanumeric data can be en*tered using ordinary handwriting (most styles cause no problem) on a simple format printed sheet. The sheet rests on a pad which, via a minicomputer, recognises and records the entry, and controls the display in front of the operator, who is thus able to verify correct entry. Output is on magnetic or paper tape that can be used to feed any mainframe computer. Price for a 16-pad system and accessories would be about £50,000.

Teaching terminals

TWENTY video display terminals have been supplied to the Ministry of Defence joint services data training establishment at Blandford Camp, Dorset, by Delta Data Systems.

The contract forms part of a complete upgrading of the facilities at the establishment, which provides DP courses to service personnel at various levels. Other moves include the replacement of an ICL 1903 with a time-sharing system based on a DEC System 10.

In considering the input devices MOD decided on the video terminal approach in order to be consistent in the training content with the most likely terminals of future large MOD systems.

Another converter

APPLIED Computing and Software has started a 1900 to 2900 conversion service.

The service for users of new ICL machines will be run by ACS's Conversion Group which has extensive experience of conversion projects on IBM and ICL machines. The software aids include a *Plan to Cobol con*verter and a Cobol to Cobol translator which can convert from a number of machines to a 2900.

ACS, Great Portland Street, London W1N 5AH (01-637 0105).

● MATERIALS

Protective coating

*STATED TO be suitable for in*terior or exterior use, even on damp surfaces, an epoxy emulsion coating has been introduced which is intended for general purpose damp-proofing, protective coating and decorative applications.

Called Wetcote, it is easy to use, and is resistant to fungal growth, dirt and graffiti. Available from Sealocrete Group Sales, Atlantic Works, Oakley Road, Southampton SO9 4FL (070377 7331), it can be used to damp-proof cellars and external floors, as a waterproof membrane prior to laying carpets or tiles; to prevent tanks and pipes from leaking; for sealing timber; proofing concrete floors against water, grease, oil, dusting and chemical attack; as a release agent for shuttering; and for decorating swimming pools.

● SOFTWARE

Improves throughput

CALLED OPTIMUS, a software package has been introduced by Westinghouse which is stated to improve the throughput of IBM DOS and DOS/VS installations by up to 30 per cent.

It provides the console operator with a set of simple commands which can be used to select which partitions and associated subtasks are to be optimised. The package then ensures that the job mix is dynamically organised to prevent partition lockout and system degradation.

Westinghouse, which is at Burymead Road, Hitchin, Herts., SG5 1RT (0462 50389), says the system can be installed in a matter of minutes and requires no modification to the supervisor or other IBM software. Purchase price is £950, and the package is also available on a six-month rental contract at £48/month: the company offers a 15-day free trial.

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PARLIAMENT

Grimond guessing game

BY JOHN HUNT

IN WHAT must rank as one of the most bewildering and confused Press conferences in modern British politics, Mr. Jo Grimond yesterday announced that he is staging a comeback as leader of the Liberal Party, but only on a *temporary basis*.

Journalists who crowded into Committee Room eight at the House of Commons after a three hour private *meeting of the Parliamentary Liberal* Party were told that he had been persuaded to become caretaker leader for a period of two months.

As a result of this latest *twist in* the long Liberal party saga, Mr. Grimond, who gave up the leadership nine years ago, will soldier on until July when a new leader will be chosen under a new procedure to be agreed at a special constitutional assembly in June.

Puzzled questioners wanted to know why he had taken *this* surprising decision when he had categorically stated that he would never take on the job on a caretaker basis. As it was only a matter of two months, why not leave the post vacant until a new leader was elected? Wasn't the job of a caretaker merely to clear up the mess left by other people?

Unfortunately, Mr. Grimond, flanked by Mrs. Margaret Wingfield, the party president, and Mr. Alan Beith, Chief Whip, seemed almost as bewildered as his questioners. He explained that he hoped to use his authority to lay down a clearly defined and relevant Liberal policy and to steer the party back on to a steady course.

Brushing aside objections that this would be an impossible task to achieve in two months, he announced that he would be having discussions with the candidates for the leadership and would be putting his views to them. He hoped to play the role of a "John the Baptist" to the next leader—an *observation* which led one sceptic to observe that John the Baptist had come to a very sticky end.

Looking fit and sun-tanned for his 62 years, Mr. Grimond at times seemed to treat the whole matter with detached amusement. At one stage, he startled journalists by hinting that he might stay on as permanent leader after all.

He saw a serious possibility that he might get to like the job. A caretaker leader was not an ideal solution and *he thought that politics should be a* serious business.

Eventually a questioner asked him sternly: "Is this just another of your terrifying jokes?" With a disarming smile Mr. Grimond replied "Yes, that was one of my jokes."

In a burst of frankness which is rare at Westminster he went on: "I don't think that the party would benefit by my return to the scene for any length of time.

"I am too old to become permanent leader. Like heavyweight boxers, I don't think it is very easy for political leaders to come back. There are plenty of people in the Parliamentary party capable of taking on the leadership."

Were he to stay on for several years, he thought the rank and file would soon be "driven round the bend by the sight of my old mug on the tele."

Outlining his views on party policy, Mr. Grimond argued that the Liberals should appeal to the social democrats who were disenchanted with the Labour party, those who were expressing concern about the size of Government and the amount of the national product taken by Government.

To some in the audience, this sounded like a resurrection of the policy put forward by Mr. Grimond in the 1960s, when he presented the Liberals as the "*radical alternative*" to Labour. Philosophically he agreed that this was partly true.

"I would be surprised if it wasn't. That is the danger of getting back an old leader. You get back all his ideas, too. He plays his old gramophone records."

Profit ban on crime memoirs supported

PRIVATE member's *Bill* to revent criminals selling their emoirs for profit for book and im rights was given a first reading by 104-77 in the Commons esterday.

Presenting the Bill, Mr. icholas Fairbairn (C., Kinross nd W. Perthshire) said it was rompted by the setting up of a mpany by some of the Great rain robbers in order to make m and book rights profits. It as an affront to morality "that iver Mills's health, if not his e, was part of the price paid."

Mr. Fairbairn, a criminal wyer, said there was a tendcy to glamorise such crimes cause of their "efficiency, dar- g and frightful execution."

Society must have a defence ainst a situation in which the moral, unfair and dishonest as looked on in the same way the moral, fair and industrial tizen.

Mr. Bruce Grocott (Lab, Lichfield and Tamworth), opposing e *Bill, said that when a man* d served his sentence, that ould be an end of it. "He ows that his debt is paid."

If the Bill went through, only eople such as retired policemen, wyers, relatives, friends and urnalists would be able to rite about such activities.

Former Nazi Armaments Minis- r, Albert Speer, had written out his experiences. Whether e had made a profit was a side sue. "It is desirable that such book should come out."

Montgomery statue call

STATUE to commemorate ield Marshal Lord Montgomery's ervices to the nation was ggested by Mr. Michael McNair-Vilson (C., Newbury) in the ommons yesterday.

In a written reply, Mr. James allaghan, the Prime Minister, aid: "This is a matter in which t would be best to proceed by agreement. If there is broad public support . . . I will be glad o enter into consultation as to ow the nation can best commemorate Lord Montgomery's ervices."

More Scottish job projects

HE EXTRA £15m. given by Mr. enis Healey, Chancellor of the xchequer, for training activities and job creation projects ould mean an increase in the 0 projects involving a workrce of 5,500 people in Scotnd, Mr. Richard O'Brien, wly-appointed chairman of the anpower Services Commission, id in Glasgow

Meehan statement expected

STATEMENT is expected by xt week on the future of trick Meehan, whose conviction r murder has led to a campaign Scotland for his release.

In the Commons yesterday, Mr. nald King Murray, Lord lvocate, was asked by Mr. David el (L. Roxburgh, Selkirk and ebles) whether he now gretted that he and the evious Scottish Secretary (Mr. illiam Ross), had consistently used to refer the case back to High Court for further reconeration.

Mr. Nicholas Fairbairn (C., Kinross and W. Perthshire) counsel for Meehan at his trial, called for immediate steps to ensure that this "wrongfully imprisoned man" was released at once. There should be an inquiry into why this "appalling affair" *had been allowed to drag on for* so long.

Mr. Murray said it would be inappropriate to reply to impassioned appeals. The decision should not be based on emotive considerations.

Duffy stresses need to settle Icelandic fishing dispute

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

BOTH THE Government and the Opposition last night stressed the ever more urgent need to reach agreement with Iceland over fishing rights—even as MPs learned that the cod war had flared in a clash involving the trawler, Prinella, and a shot-firing Icelandic gunboat.

Mr. Patrick Duffy, the new Parliamentary Under Secretary for the Navy, as well as Mr. Ian Gilmour, Opposition defence spokesman, urged the Commons not to forget that Iceland and Britain were defence partners in Nato.

Acknowledging the harrassment of our fishing fleet, Mr. Duffy was at pains to point out during a debate on the Navy, that a balance had to be struck between preserving continuity of fishing and the lives and safety of men and ships.

"Secondly, we have to remember that Iceland is an ally—and a valuable ally—in Nato and that is why we seek an amicable and speedy end to this dispute."

Meanwhile, Mr. Duffy assured MPs, *the Navy would go on* protecting the lives of our fishermen and in doing so, they would continue to exercise "restraint and good sense in carrying out the difficult task."

When he dealt with new equipment which the Navy might expect, he confirmed that an announcement would be made shortly about the order to be placed for the second through-deck cruiser. Pressed from the Labour backbenches on this point, he did not contradict a suggestion that the order would *be placed with Swan Hunter.*

But the necessary programme of defence cuts would involve some painful decisions in cutting back the defence "tail"—the shore establishments supporting the fleet. The redundancy implications were now being discussed with the staff associations and trade unions.

Mr. Duffy said that a main area in which the Government meant to concentrate in U.K. naval forces was in the eastern Atlantic. The significance of this area for the defence of Europe could not be overstated. It was through this area that reinforcements would come from the U.S.

Measuring the ships on the Nato and Soviet sides could be an over-simplified way of comparing forces, the Minister maintained. This was because weapons systems *must also be taken into* account.

The situation had worsened *somewhat since last year*, he agreed. But it did not justify the "despondent noises emanating from the Opposition whenever defence questions are discussed."

But the Tories signified no agreement when Mr. Duffy, at another point in his speech, referred to the dependence of the West on the sea for trade in times of peace and for military reinforcements in times of war—a dependence not shared by the Soviets and their allies.

"Although the Soviet navy does not have command of the seas, a future balance depends on our continuing effort," said *the Minister.*

The Government was determined to maintain the Royal Navy's response to defence needs, the Minister assured the House. *It was maintaining the cruiser* programme, going ahead with the development of the Sea Harrier *and the nuclear-powered sub*marine programme remained intact.

New classes of destroyers and frigates were being built and new and powerful missile systems were being introduced.

Mr. Duffy said that we were now building one anti-submarine cruiser, three fleet nuclear-powered submarines, five type 42 destroyers, five type 21 frigates and two type 22 frigates. The Navy's first type 22 frigate, HMS Broadsword, was being launched yesterday at the Scotstoun shipyard of Yarrow's. The Government planned to order a second anti-submarine warfare *cruiser*.

Mr. Gilmour accused the Government of bluster and blunder in its handling of the Icelandic fishing dispute. "It is high time *the Government took some new* initiative because they are getting nowhere at the moment."

Wilson sees 'overseas threat' to future of Parliament

SIR HAROLD WILSON yesterday urged the Press to investigate "overseas muck-rakers" who, he said, were threatening our system of competitive party democracy. They were even threatening the future of Parliament as we know it, he added.

The former Prime Minister and Lady Wilson were guests at a Parliamentary Press Gallery luncheon at Westminster.

Sir Harold said: "Overseas anti-democratic and anti-progressive forces, many of alien origin, have conspired for years to undermine the political position of individuals and parties who have opposed apartheid, arms for South Africa, and who have sought to make sanctions against Rhodesia a reality."

Referring to "the recent behaviour of the Liberal Party," he said he would not be as censorious as he felt. "Of course, those Liberal MPs who are responsible for this situation, are not in league with such forces. They have simply been content to be their tools—however, I am sure, unwilling tools in all cases."

He acquitted them of acting in league with the forces he had described.

Sir Harold added: "What we have seen in recent years has been the work of an underground and well-heeled organisation which did not scruple to use any weapon against the British politicians and parties of whom they disapproved.

"Slush money was available in almost unlimited quantities for this purpose. How much of it was flowing at any particular time and in which direction it flowed, we may never know. I hope we shall.

"Certainly, I would reject any suggestion that it got close to the Palace of Westminster. It did not."

But, he said, those who supported the maintenance and strengthening of democracy in this country had the right to inquire about the role of the foreign Press, "and I am not referring exclusively to South Africa."

Sir Harold said that "investigative journalism" was one of the great developments of the post-war Press scene here and abroad, and in a democracy, it provided power for greater good."

"But when the purpose of 'investigative journalism' is political and angled, masterminded from abroad, aimed not only at blackening the character of a leading political figure, but of weakening, even destroying his party—then one has to conclude that the life of our system of competitive party democracy is threatened, and even the future of Parliament, as we know it, is at stake."

He added, "I would hope there will be a vigorous fight back. There is a great deal in this story of overseas interests and overseas muck-rakers which could be investigated by any British newspaper concerned about protecting British democracy. That would be a constructive form of investigative journalism."

There was also a lot which could be followed up by individual *MPs who had considerable* facilities available to them through our Parliamentary institutions.

"As far as I am concerned, I *shall be prepared to help any* responsible MP who is ready to take up arms for the defence of our Parliamentary institutions against what I know, not think, has been happening," he said.

Howe explains his plan to counter inflation

BY MICHAEL BLANDEN

IN HIS first major speech on prices and incomes policy since the Government announced its Phase Two agreement with the unions, Sir Geoffrey Howe, shadow Chancellor of the Exchequer, yesterday set out six basic principles which should provide a *guide* to the future development of counter-inflation policies.

These included cuts in public spending, substantial relaxations of price controls and a challenge to the "undue influence" of the TUC.

Sir Geoffrey argued that the present pattern of incomes controls had "only the slenderest chance of survival for more than a short period." The next phase of the policy, announced by Mr. Denis Healey recently, could play a "legitimate role in fortifying a basically monetary exit from the almost hyperinflationary tunnel of the social contract."

But he foresaw increasing difficulty from the flattening of differentials and other constraints on the labour market. Sir Geoffrey stressed the need to find "a way through the middle." The test of British statesmanship in the years immediately ahead, he said, "is to find the best way of securing acceptance, of the economic imperatives."

SIR GEOFFREY HOWE
"Test of statesmanship."

Targets

In his speech, delivered to a meeting of the Bow Group Economic Standing Committee at the Carlton Club last night, Sir Geoffrey set out to examine what, if any, should be the long-term role of a prices and incomes policy.

Sir Geoffrey produced six *main arguments against incomes* policy.

"The first objection to the setting of wage targets or norms (whether they be flat-rate or percentage, *or on a more subtle* basis) is that they substantially destroy the functioning of the labour market. In an economy where over half-a-million people change their job each month, no national plan can replace the signalling of market prices.

"To interfere for a year or two with changing differentials may not be disastrous. But try to maintain such control for a longer period and the necessary movements of labour between the changing demands in individual industries will cease to occur. If that does not happen, the policy itself will begin to crumble.

"*The second major objection* is a political one, and one which has particular importance for Conservatives. If the State itself should attempt to simulate the market-place and to plan relativities throughout the economy, then freedom itself will be endangered. The road to comprehensive job evaluation is a not-so-primrose path, with a cage and a locked door at the end. If all incomes were determined by the State, the verdict could be much *more* fiercely resented than the anonymous judgment of the market-place.

"The third objection is a very practical one. It has not proved *easy to evolve a practical method* of making these non-market judgments. The George Brown policy involved direct Parliamentary application of a pay code. The Heath policy sought to transfer enforcement of the code to a quasi-judicial agency, with an unobtrusive ministerial discretion in reserve. The Foot policy (not yet involved in the complexities that must follow a flat-rate policy) has left everything to the Secretary of State or the TUC.

Conflict

"But each approach has led, or surely will lead, to its own problems—from the frequent anguish of Parliamentary debates in the Brown era to the medieval intellectualism *of miners' 'washing time' or* 'London weighting' in a later period.

"The fourth objection that is often put forward is less com*pelling than some of the others*. It is often said that an incomes policy increases the risk of avoidable conflict between Government and the trade unions.

"*In the public sector at least*, this risk is always present so long as Government accepts — as it should — its clear responsibility for limiting the size of the *wage-bill that is financed by the* Exchequer. Even so, a formal incomes policy certainly increases the risk of conflict, the more so if it embraces the private sector.

"The fifth objection to the establishment of an institutionalised incomes policy is more formidable. I refer to the greatly increased leverage that trade unions (or their leaders) acquire, through an incomes policy, over many matters that are properly the responsibility of the elected Government.

"In recent years, under both Conservative and Labour administrations, policies for taxation, prices, industry and other matters have all been changed, often in a harmful way, to persuade trade unions to accept an incomes policy.

"Governments have all too often given promises that ought not to have been given in exchange for promises that could not be fulfilled. For the sake of a fragile promise of wage restraint, fundamental policy changes have been introduced For a mess *of pottage, birth*rights have been bargained away."

Sir Geoffrey said that the price of the social contract had *included:*

1 — An entrenchment of the mistaken belief that real living standards could be protected, in face of a sharply adverse movement in the terms of trade

2 — A disastrous diet of Socialist legislation.

3 — Sharply increased hostility to profits, incentives and ownership.

4 — An explosive growth in public spending.

5 — A rise in taxes, which *itself provoked larger pay claims*

The whole exercise, undertaken against the background of a theoretical commitment to "full employment" had actually blunted the counter-inflationary effect of tighter money policies, except in the form of higher *unemployment. "The distortion* of taxation policy is a particularly serious hazard of incomes policy bargaining."

Sir Geoffrey added: "*Penalties and surcharges on higher income groups may do little harm if they are adopted as temporary cosmetic expedients. But as a permanent feature of economic life, particularly in a country whose existing high rates of taxation are driving more and more entrepreneurs, engineers and entertainers abroad, such policies are as harmful as they are unacceptable.*

"The sixth, and perhaps the strongest objection to an incomes *policy is the control of prices* which is an inevitable quid pro quo for the acceptance of an incomes policy.

"It is by now very clear that *the maintenance of price control* of our present type, which makes British industry the most tightly regulated outside Eastern Europe, is immensely damaging *And damaging to workers as* well. For the control reduces present profit margins and present employment. And it destroys the hope of future profits, so as to inhibit investment. This prevents the creation of future employment.

Pressures

Turning to the "critical" role of monetary policy, Sir Geoffrey argued that inflation was "essentially a monetary phenomenon." If Government did not strictly control the supply of money—and public expenditure — then "no policy for dealing with inflation has any hope of success."

Sir Geoffrey said: "Rising wages are not in themselves the cause of inflation. If Government rigidly refuses to expand the money supply, then as unions bid up their members' wages more and more people are priced out of their jobs. Union pressures will, of course, have an impact on money wages as well as on the *level of employment. All too* often this short-term rise in living standards is at the expense of profits, and so of investment. In the end this reduces the likeli*hood of an improvement in real* wages."

"*This is why it must be a critical long-term objective to hold the growth of money supply in line with the underlying growth of the economy. Hand in hand with this must go tight control of public expenditure. If we do not have the latter, a Government can quickly find itself in a situation where it has no choice but either to bankrupt industry or to reverse its monetary policy and print more money*

"A restrained monetary policy can only be sustained against a background of controlled public *spending. Hence my anxiety* about the present Government's failure, even in the future, let alone in the past to control Government expenditure.

THE SIX PRINCIPLES

1—*Financial prudence* and strict control of the money supply should be an essential foundation of economic policy. Since expectations adjust only gradually to reductions in inflation, this restoration of monetary discipline must happen gradually but inexorably.

2—Government must be determined to secure the widest possible understanding of its monetary policy. It must spell *out clearly to trade unions the* unemployment consequences of any attempt to overthrow monetary discipline. The self-*destructive folly of excessive* wage demands needs to be demonstrated by every argument that can be brought forward.

3—Public spending and borrowing must be reduced. The £12bn. public sector deficit is the most explosive part of the present economic scene.

4—Industry's profits must be allowed to rise. To destroy the profitability of British industry is the surest way to create a long-term problem of structural unemployment. This is why price controls must be substantially relaxed.

5—A more open approach to economic management must be *developed*. This means more open budgeting, a *more open framework of* public consultation. This would be a far cry from the latest pattern of private bilateral talks with the TUC. The undue influence of one interest group needs to be challenged in much wider, more open, consultation. An extended NEDC would possibly provide the best basis for this.

6—A better method of handling wage claims in the public sector must be developed since the consequences of surrender are too often magnified by the tendency of wages in that sector to move very closely together. The public sector is the soft underbelly of the British economy. In the nationalised industries the main discipline should come from the imposition of strict cash limits on any funds available from the Exchequer, and from the enforcement of strict commercial targets. But in the directly-employed public sector (and perhaps *more* widely than that) we also stand in need of some more coherent bargaining arrangements than ad hoc solutions. The example of economies like Sweden and Japan where some, at least, of the problems of leap-frogging are avoided by the negotiation of all wage claims at one *season of the year*, should be studied.

Public sector 'worst problem'

Sir Geoffrey went on to argue, *however, that strict monetary* policy was not enough. "The main snag is that, even in Britain to-day, the maintenance of full employment at any given wage level is still too widely regarded as the exclusive responsibility of Government and the monetary authorities.

"When unemployment rises, that has been regarded as the fault of the authorities. Insufficient responsibility has been attached to the actions of the *trade unions.*

"Even the authorities themselves have failed to understand the normal working of the economic cycle—and have too *often hastened to give it a shove.*

"If the monetary authorities refuse to accommodate high wage settlements by increasing the money supply, then the resultant *rise* in unemployment is inevitably exacerbated.

"Yet it *is* the prime responsibility of the authorities to preserve a stable currency. If there is any accommodating to be done, then that should surely be done by the trade unions on behalf of their members?

"If they price themselves out of the market, is that not their responsibility?

"The political pressures that operate on government are, of course, more complex even than this.

"It is the random nature of *the unemployment, and its* "unjust" distribution, that causes public opinion to question the assertion that there should never be any Government intervention in the wages arena.

"Fortunately there is now some reason to believe that the complexities of this argument are being more *widely* understood.

"The worst, and most familiar, problem arises through the public sector. When the Government stands behind the public sector both as guarantor and as the ultimate source of finance, it is no easy task to persuade the trade unions either that wage claims will not be met or that if they are met, a loss of jobs will follow."

There was, Sir Geoffrey main*tained, no cause for despair.* "The test of British statesmanship in the years immediately ahead is to find the best way of securing acceptance of the economic imperatives, and of a strict monetary policy.

"In face of the other factors to which I have referred, this must involve consideration of the way in which incomes are determined. If not an 'incomes policy,' at least a 'policy for incomes.'"

Sir Geoffrey argued that the most effective policy could be found along the lines adopted in West Germany.

"A policy that operates informally and with recognition by the trade unions of the harsh realities of the economic world. Ideally, in Britain as elsewhere, responsibility for full employment should be seen to rest with the trade unions.

"It is, in a very real sense, a 'voluntary policy.'"

Sir Geoffrey then enunciated the six basic principles which he felt should provide a guide. He then turned to examine the present policy, arguing that it was not workable for more than a limited period.

He recognised, however, that it would not be easy to leap to the ideal situation, and that meanwhile the present Stages I and II might be playing a legitimate role in fortifying the basically monetary solutions to the problem.

The Government's "crude" measures could be said to have *helped* "in reducing inflationary expectations, in curbing the size of the pay and salary element in public spending and in tempering the growth in unemployment."

But they were also inflicting growing damage on the necessary flexibility of the labour market, on the economy and *on* society as a whole.

Callaghan defines roles

BY PETER HENNESSY, LOBBY CORRESPONDENT

THE PRIME MINISTER, Mr. James Callaghan, yesterday defined the relative responsibilities of the Government, the TUC and the National Executive Committee in the formulation of Labour Party policy. He told a special meeting of the NEC that each had a part to play but it was the Government alone which had an overall national responsibility.

He described a lengthy document on industrial, economic and social policy prepared by the NEC's home policy sub-committee as "the total sum of all their hopes in the fields of social expenditure and elsewhere."

"But it is a drawback," Mr. Callaghan continued, "that it does not try to set out any order of priorities. It is not in that sense a policy that any Government could be expected to carry through in five years. Its scale and its perspective stretch well into the 1980s.

"Because of this, it is essential that we are quite clear what exactly the document is and where it fits into the machinery of policy making. First, it is the party's proper role to look ahead and map out its prospect for the future. But there are two new dimensions to policy making which did not apply to the last Labour programme.

"First, Ministers, while participating in this long-term work, must also give proper weight to the immediate day-to-day problems they have to live with. Second, the Government/TUC liaison committee, through the social contract, has played an increasing role in mapping out a joint strategy, not least in the matter of prices and incomes.

"The National Executive Committee will therefore want to *ensure that the TUC contribution* to the development of policy is taken fully into account and work is already beginning on a revised social contract. In short, there are more elements to be taken into account in formulating policy now than there were when we were in opposition.

"I have therefore indicated to Ministers that while I am encouraging them to enter into a dialogue with the NEC about policy, they also have to be mindful of immediate Governmental responsibility.

"We live in a world in which discussions about long-term aspirations and policy through rumour or misrepresentation can cost the country dear and check confidence both at home and abroad. Of course, the National Executive must do its work in the way it thinks right but the Government must also state its *own position especially* where the Executive's deliberations impinge upon the immediate situation.

"To avoid any uncertainty at home or abroad, I must make it clear that the Government's overall economic and financial strategy remains as announced by myself and the Chancellor of the Exchequer. To take one example, our considered judgement is that we must disagree with the draft document's proposal for large increases in public expenditure to up to 1980, although I do not *wish to look beyond that year at* present.

"On another matter concerning industrial investments and planning agreements we should draw *conclusions* here from what has happened in the matter of labour relations. We have demonstrated in that field that co-operation and consultation can succeed where compulsion breaks down. I believe that the same applies to industrial regeneration and investment and that the language of persuasion will be more effective than the element of coercion proposed in the document.

"There are other areas too such as the *treatment of overseas* assets and our defence responsibilities where the Government's policy remains unchanged.

"*I have noted the suggestion* that where the Government's views differ radically on an important issue from the NEC a statement of Government view should appear in the document in parallel with the party.

"The NEC will make up its own mind about that, but I would be ready to agree to the Government's view being put in this way if the Executive Committee wished it and naturally I agree that there must be close and continuous consultation and exchange of information between Ministers and the NEC.

"I also underline what has been said, that drawing up the manifesto on which the next election will be fought is a separate task to be done at a later date and that it will obviously have to take into account both the social contract and the views of the Parliamentary Party.

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The person appointed will be involved in giving financial and commercial advice to the Board and will be responsible to the Group Managing Director for monitoring and co-ordinating the accounting operations of the self-accounting subsidiaries. The person will also be responsible for the design and interpretation of management information for parent and subsidiary companies.

Candidates should be qualified accountants, preferably aged 35-40, with a background of industrial and commercial experience and a proven record exhibiting sound commercial judgment, grasp and interpretative ability.

Replies stating age, qualifications, experience and salary required should be sent to:

R. Simmonds,
STOY HAYWARD LIMITED,
Management Consultants,
54 Baker Street, London W1M 1DJ.

JAMES CAPEL & CO.

require an

INSURANCE ANALYST

An Investment Analyst is required to specialise in the analysis of life insurance, composite insurance and insurance broking companies.

It is anticipated that the successful application will either be able to show a record of proven success within this field of analysis and/or will have spent a reasonable length of time in the insurance industry in a position which enables the applicant to have an understanding of the industry as a whole.

It is probable that the successful applicant will possess a good degree and will be qualified as a F.I.A. or F.F.A. Candidates should be able to express themselves concisely and should be able to communicate their ideas to specialists and non-specialists.

Remuneration will be by negotiation and will be fully competitive.

Applications, giving details of career to date, should be sent under *"Private & Confidential" cover to:*

Geoffrey Musson,
James Capel & Co.,
Winchester House,
100 Old Broad Street,
LONDON EC2N 1BQ.

NORTH SEA OIL

Production/Supplies Executive

THOMSON NORTH SEA LTD. holds a 20% interest in the consortium developing the Piper and Claymore Fields in the North Sea. Oil production is expected to start from the Piper Field later this year. A new position therefore arises for an executive to take charge of the Company's interest in all aspects of work related to tanker operations. The successful candidate, responsible to the Technical Director, will work as part of a small, closely integrated team at the Company's London office.

Applicants, preferably in the 30-35 years age range, should have not less than 5 years' broad experience of tanker terminal work and should be fully conversant with standard documentation and operations including Bills of Lading, Demurrage, Port Regulations, ASTM tables and quality, Crude Sales contracts etc. Responsibilities will involve assisting in the development of procedures for the new terminal (for which a working knowledge of computers would be an asset), liaison with crude oil purchasers and with other consortium partners on all aspects of tanker operations and offtake. Candidates with potential can expect good career prospects.

Anyone earning less than around £5,000 p.a. is unlikely to have the experience required. Generous fringe benefits include 5 weeks' annual holiday.

Please apply in writing giving full details of qualifications and experience to:—

The Technical Director
THOMSON NORTH SEA LTD.
16 Stratford Place
London, W.1

Closing date for applications—28th May 1976.

Chief Executive Designate

Insurance

A thriving London insurance company, part of a *major international group, seeks a mature* senior executive to succeed the present Chief Executive who will be retiring within 12–18 *months. This appointment will appeal greatly to men or women in their early 50's who can offer broad financial and administrative skills and* substantial experience of underwriting fire, accident and marine insurance. Initial salary will be in the region of £20,000 and other benefits will be tailored to meet the requirements of the *person who is appointed.*

(PA Personnel Services Ref: GM3/5603/FT)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion: Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Leading Scandinavian bank's subsidiary in Luxembourg is seeking

EXPERIENCED FOREIGN EXCHANGE DEALER

ATTRACTIVE SALARY AND BENEFITS FOR THE RIGHT CANDIDATE

Please address your application with details of your professional background to:—

FUDICIARE GENERALE DE LUXEMBOURG,
Attn. Mr. Armand HAAS,
13, boulevard de la Foire,
LUXEMBOURG (Grand-Duchy).

The personnel of the bank have been informed of the vacancy.

10,000 Executives *have benefited from our*

JOB HUNTING SERVICES

in the last ten years.

Acclaimed by Press and Radio for our work in helping executives advance their careers. We work for individual clients and for employers with redundancy problems.

Telephone Today 01-839 2271.
COUTTS CAREERS CONSULTANCY LTD.,
140 Grand Buildings,
Trafalgar Sq., W.C.2.

Assistant Manager-International Banking

Negotiable around £8,000

Leading International Merchant Bank

This vacancy which occurs through rapid expansion calls for candidates 29–35, preferably with a good University degree whose experience should include a minimum of 3–5 years in International Banking, either with a prime US Bank or Merchant Bank. Additional experience in *the Treasury function with a major* international company would also be helpful.

Responsibility will be to the Senior *Manager* for the maintenance and development of banking business with North American Corporations. Up to 25% away travel, primarily to the USA, will be required to maintain laison with clients and the Banks Overseas offices.

Candidates must possess resource and imagination and the ability to confidently negotiate at a senior level.

Initial salary, circa £8,000, contributory pension; free life assurance; house mortgage facility; assistance with removal *expenses if necessary.*

Applicants, male or female, should write giving full but concise details of age, education and business experience, stating the names of any organisations to *whom your letter should not be forwarded,* to:

Brian M. Doyle,
Selection Consultant (Ref. 731).

Whites

Whites Recruitment Limited 72 Fleet Street, London EC4Y 1JS
Offices/Associates: Amsterdam, Bristol, Brussels, Dusseldorf, Leeds, Manchester and Wolverhampton

General Manager

£8-10,000

Our clients are a group of heavy commercial vehicle distributors, part of a substantial public company. They have an opening at one of their major trading locations for a person to take full responsibility for the performance and growth of that business. It is intended that this location should become the pace-setter for the group.

Ideally, those interested will be aged 35-45, with experience of general *management in a service industry preferably associated with transportation.* They will have experience in professionally managed companies, understand management accounts and be able to sell. Graduates or professionally qualified people will be preferred.

Basic salary will be in the region of £8,000 plus a performance related bonus, car, pension and help with the costs of removal to a base in the East Midlands.

Men or women will be considered equally and are invited to apply in complete confidence, quoting Ref: 489/FT and stating experience, present earnings, age and qualifications, to:

CB-Linnell Limited

8 Oxford Street, Nottingham
SELECTION CONSULTANTS
NOTTINGHAM : LONDON

INVESTMENT ANALYST

ENGINEERING

A leading firm of London stockbrokers requires an analyst to join its team covering the Motor and Engineering Sectors.

The successful applicant will be aged between 25-35 and should be able to offer at least two of the following:—

- A good degree or accounancy qualification
- *Experience as in investment analyst in these sectors*
- Experience in one of the major companies concerned

Applicants will be seeking a position where:

- Initiative is encouraged
- Enthusiasm and accuracy are essential
- *Client contact and travel are involved*
- Salary will reflect the responsibility of the position.

Applicants, which should give brief details of your career to date, will be forwarded to our client. Please indicate in a covering letter any firms to which you do not wish your application to be sent.

Please write, quoting ref. 822, to:

W. L. Tait, Touche Ross & Co.,
Management Consultants,
4 London Wall Buildings, London, EC2M 5UJ.
Tel: 01-588 6644.

Banque Nationale de Paris Limited

BNP

The continuing expansion of this major international bank *has created opportunities for*

Trainee Credit Analysts

Selected applicants, male or female, will *work in a group under the guidance of* experienced credit analysts. The group's responsibilities include the collation and analysis of financial information relating to domestic and international trade and investment, the presentation of details to the *Bank's lending officers and the subsequent* documentation and control of the Bank's loan portfolio.

Anyone under the age of twenty-five is unlikely to have the experience required, which should *include at least five years' banking* experience, part of which should have been gained in loans or securities work.

It is essential that applicants possess the ability to express themselves clearly and concisely in writing in English and/or French. Previous experience in international banking would be a useful asset.

Training will be given in the analysis of data *relating to the performance of commercial* undertakings and banks.

Institute of Bankers or equivalent standard of education is desirable but not essential.

Total salary will be between £3,600 and *£4,500—more with exceptional experience—* and successful applicants can expect to progress within the Bank. Excellent fringe benefits, including free B.U.P.A., Luncheon Vouchers and season ticket loans, reflect the position of the Bank.

Applicants should forward their curriculum vitae, which will be treated in the strictest confidence, to:-

George Wheeley, Staff Manager,
Banque Nationale de Paris Limited,
Plantation House, 10-15 Mincing Lane,
LONDON EC3P 3ER.

INSTITUTIONAL SALES

A challenging opportunity has arisen for young, enthusiastic individuals to make up an Institutional Sales team to develop the full potential of the London office of a Stock Exchange Member Firm.

The rewards will be based on the results of the successful applicants efforts and a considerable degree of responsibility is envisaged.

Applications are invited from responsible individuals with good connections and a proven record.

Write Box A.5551, Financial Times,
10, Cannon Street, EC4P 4BY.

COMMODITY VACANCIES

COMMODITY MANAGER / TRADER (for merchanting house. Board level appointment, Salary neg. c. £12,000). TRADER / MANAGER / PRODUCER (L.M.E. and physical experience c. £14,000 basic.) GRAIN OR OILS TRADER (based Belgium, substantial salary neg.). PROJECT MANAGER (to negotiate and motivate overseas development c. £10,000 basic). VEGETABLE OILS TRADER (salary neg. c. £6,000 basic). ACCOUNTANT (with negotiating flair, travel involved £6,000-£10,000 p.a. basic). JUTE SALES EXECUTIVE (international travel, salary neg.). OFFICE MANAGER (rubber back office exp. preferred, salary neg.). SHIPPING CLERK (canned goods experience necessary c. £4,000).

Write or Tel.:

CHARTERHOUSE APPOINTMENTS,
9 Great Newport St., London W.C.2.
(01)-836 2377.
Recruitment specialists for the Commodity Markets.

GENERAL APPOINTMENTS

INTER-BANK RESEARCH ORGANISATION
CONSULTANT

The Inter-Bank Research Organisation (IBRO) is seeking to fill a senior vacancy in its Public Policy and Institutional Studies Group.

IBRO is a multidisciplinary organisation which undertakes research and support work for the London and Scottish Clearing Banks and for The British Bankers' Association.

The Public Policy and Institutional Studies Group is involved in analysing a wide variety of legal, regulatory, political and economic developments in the UK and the EEC of common concern to the banking industry. The type of work involved ranges from in-depth economic studies to direct involvement in the work of senior banking industry policy committees. Areas of current involvement include: bank licensing and regulation; company law reform and employee participation; developments in monetary policy; inflation accounting; and current trends in the provision of investment finance.

The appointee will work closely with the Group Head in steering and developing work in many of these areas, and in ensuring that it is relevant to the needs and interests of the banks. There will be opportunities to undertake a certain amount of research work personally, but at least as much time will be occupied with planning, supervising and making use of the work of others.

A degree will be expected, probably in economics or a closely related subject, and post-graduate or professional qualifications would be an asset. A good knowledge of UK financial institutions and markets is essential, and some knowledge of EEC financial structures is desirable.

The ability to think and present work clearly and concisely and to develop constructive working relationships, both inside and outside IBRO, is essential.

The appointee may come from any of a number of possible backgrounds. Relevant experience might include research or advisory work on developments in the areas mentioned above, in a bank or other financial institution, in Government, or possibly in a consultancy firm or university.

The appointee will probably be in the late 20's or early 30's. The salary is negotiable and should present no barriers for the right person.

For further details and an application form, apply to:
The Director, IBRO, Moor House, London Wall, London EC2Y 5ET
Telephone: 01-628 3070

Please quote reference No. 41.

Previous applicants for this post need not re-apply.

REUTERS REUTERS REUTERS

Sales Executives
for a leading world financial information service

Reuters Economic Services are the leading suppliers of financial and business news around the world. The Reuter Monitor, a computerised data retrieval service which has been accepted by the financial world as the principal source of foreign exchange and money market rates, has now been extended to include the bonds and securities markets as well as a news retrieval facility. *Coverage of commodities and shipping is also planned.*
We now require Sales Executives (male or female) to join an expanding London based team in selling the Reuter Monitor and other Reuter services to senior levels of management. Successful applicants will have had three years experience of selling to industrial or financial markets and/or a first-hand knowledge of securities, commodities or banking.
Remuneration will comprise a good basic salary plus commission after completion of a successful probation period. We also offer international career opportunities and the usual fringe benefits available from a large company.
Please telephone 01-353 7329 (24 hour answering service) for an application form or write to:

Brian Heywood,
REUTERS LIMITED.
85 Fleet Street, London EC4P 4AJ,
England.

REUTERS REUTERS REUTERS

MANAGING DIRECTOR
— Offshore Drilling —

Our client, an international offshore drilling contractor, with its head office in Oslo, has presently 3 semi-submersible drilling rigs under management.

The company is in the process of extending its organization to a fully integrated offshore drilling contractor.

For the position as Managing Director the company wants to employ an international oriented executive with:
- master's degree in engineering or business administration
- experience from executive position within petroleum, shipbuilding or offshore industry
- experience from international contract negotiations

Interested candidates are requested to forward applications marked 1840 — Managing Director — to our address at Fr. Nansens pl. 5, Oslo 1.

All applications will be treated in strict confidence, also as regards our client, if so desired.

Aukner & Neuman a.s
Konsulenter i bedriftsledelse — Telefon Oslo 20 82 55

COMMODITY REPORTER
LONDON BUREAU OF U.S. NEWS AGENCY

has vacancy for experienced reporter or experienced trader to cover soft commodity markets. This will primarily entail working on the London Commodity Exchange. Salary and terms *negotiable.*

Please write with full career details to Box A.5555, Financial Times, 10, Cannon Street, EC4P 4BY.

CONSTRUCTION PROJECT MANAGEMENT

A developing project management and process construction company, based in London, requires an experienced sales engineer and a project manager to strengthen the Board of Directors. This is a good opportunity for engineers *who wish to apply their contacts and* talents in a growth market, and enjoy the rewards of direct participation in profits and associated benefits. An equity stake in the company will be made available.

Send personal details in the first instance in confidence to: Managing Director, Public Affairs Limited, 63 Piccadilly, London W1V 9HJ.

ANALYSTS

City £4,500 + Benefits

Major International Bank requires *men and women Analysts with minimum* of 1 year's experience and Part 1 AIB. Good career progression.

ROBERT HALF PERSONNEL
17, Finsbury Sq., EC2.
Tel.: 01-638 4394.

BANK SADERAT IRAN BAHRAIN
FOREIGN EXCHANGE DEALER

Bank Saderat Iran, the largest commercial bank in Iran is shortly opening an off-shore banking operation and requires a Dealer to set up and take charge of their money market activities.

3 to 5 years' experience in an active trading room in London with particular emphasis on Euro-dollar and Euro-currency markets.

Age 25-30 years. Preferably single.

Extensive knowledge of money market administration and accountancy procedures.

An excellent salary and allowances will be paid. Applications in writing should be addressed to:

The London Manager,
BANK SADERAT IRAN,
Plantation House,
Fenchurch Street,
London, EC3M 3DX.

INVESTMENT ANALYST

London Stockbrokers are looking for an Investment Analyst with several years' experience to take over an established sector of their research department. Familiarity with retailing and related consumer industries would be useful though not essential.

Remuneration by negotiation but will be competitive and in addition there are the usual fringe benefits.

Write Box A.5558, Financial Times, 10, Cannon Street, EC4P 4BY.

Instructions Clerk

Merchant Bank requires an Instructions Clerk in their settlements department. Experience in both sterling and currency deposits and foreign exchange essential. Salary negotiable.
Phone 01-283 3122, Extension 315.

INVESTMENT ANALYST
Hong Kong

Leading international stockbrokers require an experienced Analyst for their Hong Kong office. Knowledge of the Far East is preferable but not essential.

The ideal candidate would be a single man, aged 25-35 years with a sound analytical background.

Salary C.HK$50,000 p.a., with free accommodation, 4 weeks holiday p.a., medical insurance etc.

Please send full CV to:

Personnel Manager,
Joseph Sebag & Co.,
3 Queen Victoria Street,
London, E.C.4.

Medium size Lloyd's Broker requires

MANAGING DIRECTOR

The successful candidate will be aged 30 to 40, approximately, a proved business producer, administrator, and man-manager. Can be Marine or Non-Marine orientated. The person appointed will have full scope for talents and, on performance, a very large future, and initially will be worth the £20,000 p.a. package that is on offer.

Strict confidence will be observed.
Reply Box No. A.5554, Financial Times, 10, Cannon Street, EC4P 4BY.

DEALER

Buckmaster & Moore requires a Junior Dealer (20 to 22 years) for UK market coverage.

Experience of the South African mining market would also be an advantage.

Replies in confidence to:
MISS HELEN WOOD,
BUCKMASTER & MOORE,
The Stock Exchange, London EC2P 2JT
Telephone: 01-588 2868

PROFIT SHARING PARTNER ARRANGEMENT

Fixed income base

to Accountant, Management Consultant, or financially-oriented Manager with entrepreneurial drive. Required by private investor with substantial funds but limited time, to build up and manage a number of internationally based direct company investments including venture capital. Fixed income base plus equity participation on favourable terms. Languages, overseas and/or particular industry experience preferred but compatible personality and objectives decisive. Send full details in strictest confidence to Mr. J. V. Lawrence, 13 John Prince's Street, London W1M 9HB.

Very Profitable London-based Packing-case Makers and Export Packers (80 personnel) require

MANAGING DIRECTOR

to take complete control. Further expansion into Export Packaging top priority. Top salary and profit participation to right person. Apply giving full particulars to Box A.5560, Financial Times, 10, Cannon Street, EC4P 4BY.

APPOINTMENTS WANTED

STOCKBROKER

with many years market experience seeks position as member dealer.

Write Box A.5546, Financial Times, 10, Cannon Street, EC4P 4BY.

Extremely well connected and qualified ELECTROMECHANICAL ENGINEER, 55 years, seeks executive appointment. Member two Royal Chartered Engineering Institutes. Long and lucrative associations with the oil and petrochemical companies and contractors at home, Scotland and abroad with whom I am held in high esteem. Was a delegate at Aberdeen Offshore '75 Conference. And without any bull, have pre-eminent connections with industry in general.
Apply Mathew Ball, c/o Post Office, Goring, Reading.

CHIEF EXECUTIVE, 43

seeks alternative executive appointment in one of the following manufacturing industries: *Furniture, Timber Construction,* Light Engineering, Metal Fabrication, Hydraulics or Vehicle Building. Wide general management experience *in public and private companies.* East Central Scotland preferred.

Write Box A.5561, Financial Times, 10, Cannon Street, EC4P 4BY.

SENIOR MEMBER DEALER seeks position with progressive firm of stockbrokers. —Write Box A.5562, Financial Times, 10, Cannon Street, EC4P 4BY.

ENTREPRENEURIAL EXECUTIVE 42 seeks challenging international appointment.—Write Box A.5563, Financial Times, 10, Cannon Street, EC4P 4BY.

LEGAL NOTICES

No. 001475 of 1976

In the HIGH COURT OF JUSTICE *Chancery Division Companies Court.* In the Matter of S. F. TRANSPORT LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 29th day of April 1976, presented to the said Court by SOUTHERN BRITISH ROAD SERVICES LIMITED, Northway House, High Road, Whetstone, Hertfordshire, and that the said Petition is directed to be heard *before the Court sitting at the Royal* Courts of Justice, Strand, London WC2A 2LL, on the 14th day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BULCRAIG & DAVIS,
6 Henrietta Street,
Strand,
London WC2E 8QS.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person *or firm, or his or their solicitor (if any)* and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 11th day of June 1976.

No. 001482 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of FRANCO CRISTOFANI FILMS LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 28th day of April 1976, presented to the said Court by the above-named Company FRANCO CRISTOFANI FILMS LIMITED of 3/5 Earlham Street, London, W.C.2, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of June 1976, and any creditor or contributory of the said *Company desirous to support or oppose* the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HAYMON & WALTERS,
1, Lincoln's Inn Fields,
London WC2A 3AU.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state *the name and address of the person, or,* if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must *be sent by post* in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 11th day of June 1976.

No. 001351 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of RUBIWARE LIMITED *and* in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 6th day of May 1976, presented to the said Court by C. M. G. FABRICS LIMITED whose registered office is situate at 11 Circus Lodge, Circus Road, St. John's Wood, London, N.W.8, Clothing Manufacturers, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of June 1976, and any creditor or contributory of the said Company desirous to *support or oppose the making* of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will *be furnished* by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. LEBOR & CO.,
199 Piccadilly,
London W1V 9LE.
(Ref: IK/PBE).
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice *in writing* of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the *afternoon* of the 11th day of June 1976.

COMPANY NOTICES

IMPERIAL JAPANESE GOVERNMENT 4% STERLING LOAN OF 1910

The Bank of Tokyo, Limited are instructed by the Japanese Government to announce that the COUPONS due 1st June, 1976 No. 132 detached from enfaced bonds will be paid on and after 1st June, 1976.

They should be presented for payment at the Bank of Tokyo, Limited, 20/24, Moorgate, London, EC2R 6DH, listed on the forms provided, between the hours *of 10 a.m. and 2 p.m.* They must be left at least five clear days for examination prior to payment.

In accordance with the Exchange Control Act, 1947, coupons can only be accepted from, and paid to, an Authorised Depositary.

* Coupons cannot be accepted through the post.

For THE BANK OF TOKYO LIMITED
T. Nagamura,
Director and General Manager,
London Office.
13th May, 1976

ALLIED IRISH BANKS LIMITED

NOTICE IS *HEREBY GIVEN* that the Transfer Books of the Company will be CLOSED from 8th to 11th June, 1976, both dates inclusive, for the purpose of preparing warrants for the Final Dividend in respect of the year ended 31st March, 1976.

By Order of the Board
D. B. MOTYER, Secretary.
3/4 Foster Place, Dublin 2.
13th May, 1976.

COMMERZBANK AKTIENGESELLSCHAFT

PAYMENT OF DIVIDEND

NOTICE IS HEREBY GIVEN to shareholders that following a resolution passed at the Annual General Meeting of shareholders held on 11th May, 1976, a Dividend for the year ended 31st December, 1975 will be paid, as from 12th May, 1976 of DM9.00 per share of DM50 nominal held, against presentation of Coupon No. 32 or lodgement of *London Deposit Certificates for marking* Square No. 26.

All dividend payments will be subject to a deduction of German Capital Yields Tax of 25 per cent.

Coupons and London Deposit Certificates should be lodged with:—
S. G. WARBURG & CO. LTD.,
Coupon Department,
St. Albans House,
Goldsmith Street,
London, EC2P 2DL
from whom appropriate claim forms can be obtained.

As the German Share Certificates resulting from the recent Rights Issue will not be available until the end of May, it will be necessary for Temporary Receipts to be lodged for marking in order to claim the quarter dividend entitlement.

Coupons will be paid at the rate of exchange on the day of presentation.

Payment in respect of London Deposit Certificates will be made at the rate of exchange ruling on the day of receipt of the dividend on the equivalent shares deposited in Germany.

United Kingdom Income Tax will be deducted at the rate of 20 per cent, unless claims are accompanied by an affidavit.

German Capital Yields Tax deducted in excess of 15 per cent, is recoverable by United Kingdom residents. The Company's United Kingdom Paying Agent will, upon request provide Authorised Depositaries with the appropriate form for such recovery.

COMMERZBANK AKTIENGESELLSCHAFT
13th May, 1976.

TO THE SHAREHOLDERS OF GRANGES AKTIEBOLAG

The Annual General Meeting of the Company will be held at the Company's Head Office at Gustav Adolfs Torg 18, Stockholm, on 31st May, 1976 at 4.00 p.m.

ATTENDANCE AT THE MEETING

In order to be present at the Meeting a shareholder must inform the Secretary of the Board of Directors (either in writing or by telephone) of his intention to be so not later than 4.00 p.m. on 26th May, 1976. Furthermore, a shareholder who wishes to vote at the Meeting must be registered in the Shareholders' *Register kept* by the Securities Register Centre ("Vaerdepapperscentralen VPC AB") not later than 21st May, 1976.

A shareholder whose shares are registered in a nominee name, such as that *of a bank trustee or securities department* or a private stockbroker ("foervaltarregistrerade"), must ensure that his own name is entered on the Shareholders' Register in order to be entitled to vote at the General Meeting.

If the former share certificates have not yet been exchanged pursuant to the Simplified Share Handling Act, these certificates shall entitle the holder to attend the General Meeting provided that he is registered as the holder thereof in the Company's own original Shareholders' Register.

PAYMENT OF DIVIDEND

At the Annual General Meeting it is to be resolved in connection with the payment of a dividend to specify a date on which the Shareholders' Register and List of Assignees kept in connection therewith *is to be checked in order to* establish the names of the shareholders entered therein. The Board of Directors and the President have proposed 2nd June, 1976 as this "record day" ("avstaemningsdag"). If the Meeting should accept this proposal, the dividend is expected to be remitted on 10th June, 1976 from the Securities Register Centre to those shareholders whose names are entered in the Shareholders' Register or the List *of Assignees on the said record day.*

The dividend on shares for which the former certificates have not yet been lodged for exchange will not be paid until this exchange has been effected and recorded *in the Shareholders' Register* kept by the Securities Register Centre or in the List of Assignees.

Further information may be obtained from the Company's London Paying Agent:—
S. G. WARBURG & CO LTD.,
Coupon Department,
St. Albans House,
Goldsmith Street,
London, EC2P 2DL.

The Board of Directors,
13th May, 1976.

THE BURTON GROUP LIMITED

NOTICE IS HEREBY GIVEN *that the* Directors have declared an Interim Dividend on the Ordinary and 'A' Non-Voting Ordinary Shares of the Company on account of the year ending 28th August 1976 at the rate of 1.47735p per share payable on 1st October 1976 to members registered on the Company's books at the *close of business on 27th August 1976.* The Warrants will be posted on 29th September 1976.

By Order of the Board,
G. A. SLATER,
Secretary.
Hudson Road Mills,
Leeds, LS9 7DN.
5th May 1976.

C. T. BOWRING & CO. LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS will be CLOSED *from the 1st June, 1976 to 21st June, 1976,* both dates inclusive, for the preparation and payment of the interest on the 5% Convertible Unsecured Loan Stock 1981 and 10% Convertible Unsecured Loan Stock 1987.

By Order of the Board,
KENNETH M. HALL,
Secretary.
Registered Address,
The Bowring Building,
Tower Place,
London, E.C.3.

AUGUST THYSSEN-HUETTE A.G. WESTMINSTER BANK LIMITED

DEPOSIT CERTIFICATE

National Westminster Bank Limited gives notice that claims may now be lodged for the sixteenth *dividend due 3 May 1976,* on the Deposit Certificates at the rate of £0.225322 per DM. 10 Unit. United Kingdom Income Tax as shown below will be deducted unless claims are accompanied by an appropriate Inland Revenue declaration:—

Gross Dividend of DM. 1.40 per Unit	£0.300429
25 per cent German Tax ..	£0.075107
United Kingdom Income Tax at 20 per cent on gross dividend	£0.060086

Claims should be lodged at Stock Office Services, 2nd Floor, 41 Lothbury, London, E.C.2, on special forms obtainable from that office by Authorised Depositaries only, who should mark payment of dividend in space No. 17 provided on the back of the certificate.

GRANGES AKTIEBOLAG

Copies of the Annual Report for the year ended 31st December, 1975 are now obtainable from:—
S. G. WARBURG & CO. LTD.,
Coupon Department,
St. Albans House,
Goldsmith Street,
London, EC2P 2DL.
13th May, 1976

BRITISH-BORNEO PEROLEUM SYNDICATE LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the above Company *will be closed from* 5th *to* 18th June, 1976, both days inclusive.

By Order of the Board
RUSSELL LIMEBEER
Secretaries
Registered Office
2 Broad Street Place,
London, EC2M 7EP.
12th May, 1976.

PUBLIC NOTICES

SUFFOLK COUNTY COUNCIL

£2m. Issued May 11 1976 due August 10 1976 at a rate of 9⅞%. Total applications were £26m. No other bills outstanding.

THE MESSINA (TRANSVAAL) DEVELOPMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa)

Directors: Commander H. F. P. Grenfell, D.S.C., R.N. (Ret'd), Chairman, *W. I. Spence, Managing, Sir Keith Acutt, K.B.E., *Professor P. J. du Plessis, R. P. Grenfell, R. E. C. Jobling, *I. Mackenzie, D.S.O., *W. A. Smit, D. A. Thompson, *W. J. Wilson, *E. P. Gush (alternate).
* South African

DECLARATION OF DIVIDEND AND INTERIM REPORT

NOTICE is hereby given that Dividend No. 52 of 20 cents per unit of stock has been declared payable to stockholders registered in the books of the company at close of business on Friday, 28 May 1976.

The dividend has been declared in the currency of the Republic of South Africa and warrants in payment will be posted from Johannesburg and London on or about 5 July 1976. Dividends payable from the London Office will be paid in British currency at the rate of exchange ruling on 28 May 1976. South African Non-Resident Shareholders' Tax at the rate of 2.8925% will be deducted from dividends due to shareholders whose addresses in the share register are outside the Republic.

The transfer books and register of members will be closed from 29 May to 4 June 1976, both days inclusive.

UNAUDITED INCOME STATEMENT

Company Six months ended 31.3.75	Company 31.3.76	R000's	Group Six months ended 31.3.76	Group 31.3.75
(17)	201	Profit (Loss) from mining	7,301	4,295
—	—	Profit from industry (after depreciation)	6,987	3,547
(17)	201		14,288	[illegible]
2,152	3,394	Income from subsidiary companies	—	—
(750)	(872)	Prospecting expenditure	(1,012)	(978)
318	98	Interest (net), dividends and other income less sundry expenditure	(1,131)	(740)
1,703	2,981	Profit before taxation	12,145	[illegible]
304*	305*	Taxation	3,748	2,160
1,399	2,676	Profit after taxation	8,397	4,362
—	—	Outside shareholders' interest in subsidiary companies' profits	2,397	1,616
1,399	2,676	Profit attributable to holding company	6,000	2,746
1,628	2,194	Dividend declared	2,198	1,628
		Cents per share		
12.9	24.3	Earnings	54.6	[illegible]
15.0	20.0	Dividend	20.0	15.0

* no South African normal tax provided in view of assessed loss.

CAPITAL EXPENDITURE

Company Six months ended 31.3.75	Company 31.3.76	R000's	Group Six months ended 31.3.76	Group 31.3.75
362	50	Net capital expenditure	2,[illegible]	[illegible]
25	—	Capital commitments	5,473	[illegible]

MINING RESULTS

	Six months ended 31.3.76	31.3.75
Copper		
Ore milled	(Tons) 1,882,000	[illegible]
Recoverable copper	18,623	[illegible]
Smelter production and sales	(Tons)	
Production (including purchased)	21,800	[illegible]
Sales	24,311	17,748

MAJOR SUBSIDIARIES AND INVESTMENTS

Effective holding % at 31.3.75	31.3.76		Profit after tax (R000's) Six months ended 31.3.76	31.3.75
		Company		
59	59	Mangula	2,717	1,700
80	80	Merits	2,780	1,731
70	100	Datsun-Nissan	1,345	1,208
62	70	Premier Metal	742	676
70	68	Electra Television	1,508	(195)
			Year ended 29.2.76	28.2.75
49	49	Concordia	1,064	838

COMMENTS ON RESULTS

Increased metal sales, combined with reduced costs in conformity with reduced throughput and an increase in the grade of ore milled, have resulted in a substantial improvement in mining profits. If the present level of copper prices is maintained for the second half year, a further increase in profits can be expected.

Profitability of the Datsun-Nissan company was adversely affected by pricing restrictions during a period of rising costs. The Premier Metal Company profits are satisfactory and in accordance with its budget, while Electra exceeded expectations in a strong market for its television receivers.

W. I. Spence, W. A. Smit — Directors
S. H. Verrall, London Secretary

London.
12 May 1976.

Transfer Offices:
28 Harrison Street, Johannesburg.
6 Greencoat Place, London SW1P 1PL.

CONTRACTS AND TENDERS

TOGO — IVORY COAST — GHANA

CIMENTS DE L'AFRIQUE DE L'OUEST
(CIMAO)

REGIONAL CLINKER PROJECT

NOTICE OF INTENT TO INVITE TENDERS FOR PROCESS CONTROL EQUIPMENT PLANT AND CIVIL ENGINEERING

1. The Company CIMENTS DE L'AFRIQUE DE L'OUEST *(CIMAO), an international corporation inscribed in* LOME, TOGO, and with equity participations of the Governments of TOGO, IVORY COAST AND GHANA will build a clinker project with a capacity of 1.2 million tons per year. CIMAO has engaged two contracts with ORIGNY-DESVROISE, France, for provision of technical assistance and with ASSOCIATED PORTLAND CEMENT MANUFACTURERS Ltd., England, for provision of engineering and procurement services.

2. CIMAO has requested loans in various currencies from a number of international and bilateral financing institutions, including the International Bank of Reconstruction and Development (IBRD), and the AFRICAN DEVELOPMENT BANK (ADB).

   These invitations to tender and for procurement of equipment, the financing of which will involve IBRD will be carried out according to IBRD regulations. Likewise, the invitations to tender and for procurement of equipment financed by the other financing institutions, without IBRD's involvement, may be required to meet the regulations of these institutions.

3. The project, using dry process, will comprise: two production lines, each *with a capacity of 2,000 tons* of clinker per day, related support facilities, storage, loading facilities both at the plan site (about 80 km north-east of Lomé), and a rail/port Terminal in Lomé for maritime shipping of a large part of the production. The following lots are envisaged:

   J. *Process Control and Instrumentation Equipment* Detailed Engineering, Installation and Commissioning.

   K. Mobile Cranes.

   L. Civil Engineering (Plant Site), comprising Site Clearance, earthworks and backfilling, injection grouting of foundation soil, Roads, Drains, Fencing, Rail Sidings, Kiln Piers, Support Piers and Buildings for the Milling and Pre-heating Plant, Chimneys, Raw Meal Blanding and Storage Silo of 22,000 tons total capacity, Clinker Storage Silo of 20,000 tons total capacity, Fuel Store, Fire Plant, Workshops, Stores, Garages, Electrical Sub-stations, Dispensary, Canteen and Administration Buildings.

   M. Civil Engineering (Terminal Site), comprising Site Clearance, earthworks and backfilling, Roads, Drains, Fencing, Rail Sidings, Clinker Storage 45,000 tons capacity, Workshop, Electrical Sub-station and Administrative Building.

   Detailed tender documents will be sent to qualified suppliers progressively starting September 1976. Contract language will be French.

4. Interested suppliers should contact CIMAO (address below) prior to 30th June 1976 and indicate of which *lot, or lots, or major items of equipment* services included in these lots, they wish to bid and apply for "Qualification Conditions and List of Goods."

Copies of all their correspondence with CIMAO should be sent to APCM Ltd., and to CIMENTS D'ORIGNY-*DESVROISE (address below):*

CIMAO
B.P. 1365
LOME, TOGO
Telex: CIMTOGO Lomé 5234
Phone: Lomé 60-63

APCM Ltd.
Blue Circle House
New Road
Gravesend, Kent
England
Telex: 965.175
Phone: Gravesend 6[illegible]

ORIGNY-DESVROISE
91 bd Malesherbes, 75008 Paris, France
Telex: 290231 F ORIGNIC
Phone: 387.53.29

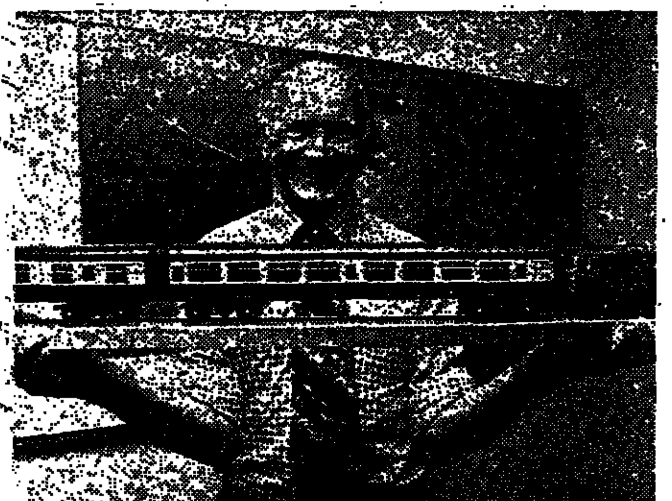
The Marketing Scene

BTA revenue up

BY ANTONY THORNCROFT, MARKETING EDITOR

STERDAY British Rail eased its annual report and, usual, it made pretty dismal ding. But tucked away among financial gloom were a couple paragraphs which talked about fits. They covered the contri- ion of British Transport vertising, which in a bad year the advertising industry man- d to push up revenue margin- to £4¾m.

The profit for British Rail was t under £1.3m., and when the fit from the bus side is iounced by the National Bus npany, the overall contribu- n from British Transport vertising to its joint owners 1975 will exceed £2m. This r has started very well, with 20 per cent. increase in enue in the first quarter as inst the corresponding



Terry Kirk

John Nunneley

nths of 1975. This alone uld enable the managing ector John Nunneley to rease profits in 1976. But t to make sure he is intro- ing his own innovations.

Nunneley has developed a asantly entrepreneurial view his task since taking over the A in 1969. His first step was replace the ten year contracts, ich enabled advertisers to hog best outdoor sites on railway d. with shorter agreements, ivy with rent reviews. He has o gone in with outdoor con- ctor More O'Ferrall, which cialises in super sites, to ploit a small number of key ter sites to the full.

On the railway stations, which ntribute around £2m. in venue. Nunneley has concen- ited to date on the vital ten mmuter stations which pro- ce £500.000 in advertising come. The monster advertise- nt for Olivetti at Waterloo is t the start in a hoped for cession of more flamboyant, displays, employing, perhaps, water as well as illumination.

But the most significant inno- vation occurred last year when BTA got together with WHS Advertising, a subsidiary of W. H. Smith, and carried off the contract to handle the advertis- ing at the National Exhibition Centre in Birmingham. Between them they let out space on three year contracts to 27 leading British based companies, such as British Leyland, Cadbury- Schweppes, Tube Investment, and Imperial Metal. This has produced a revenue of £420,000, a considerable sum for a brand new medium.

There has also been encour- agement for smaller exhibitions on those stations which have the space and the traffic flow. Hiring out the concourses began in 1971 and now produces additional revenue of over £200,000. It costs an advertiser about £700 a week for a top station, plus con- struction costs, but one company sold 50,000 sets of saucepans in a week at Waterloo and another took £60,000 worth of orders for swimming pools from the same station. On one occasion a buyer from a top department store, who saw a display, placed an order for his shop.

An exhibition adds to the excitement of a station. So do banners, and Nunneley is currently trying to find adver- tisers to take up the 30 lengthy banners which could flutter from 20 stations.

On the bus side, which has a revenue of around £1.3m., the biggest news is yet to break, but Nunneley is pleased with winning the West Midlands Passenger Transport Executive's contract to develop the advertis- ing potential on the vehicles under its control, and, unlike London Transport, is pressing ahead with painted buses around the country.

But it is not all expansion. Since May 1 BTA has stopped taking any more advertisements for the inside of trains. Those familiar train "spots" may look effective but only produced a revenue of £15,000 a year, while the costs of maintenance and replacement were much higher.

DISTRIBUTION

Where costs can be caught

BY NICHOLAS BARBER

IN YOUR particular company you may think you are good at your distribution and no doubt you've made great improvements over the past 5 years. The fact remains that the proverbial Man from Mars would be horrified at the following practices: high rates of refusals, long queues at delivery points, high unit costs of small drops, lack of backhauls, failure to co-ordinate reps' call- ing patterns with the optimum delivery patterns, extra costs caused by the proliferation of lines, fancy packaging and slow- ness to rationalise the range, ex- cessive number of stockholding points, and sheer inefficiency to the extent that in an interfirm comparison survey the worst company's distribution costs were 13 times worse than the best. And just to show we don't learn from the past, when we intro- duce cage pallets we fail to standardise their design.

The Man from Mars would not take long to spot most of those nonsenses. He would also notice three other problems. He would notice the surplus warehousing, both in total space available and in sheer number of warehouses. Surplus space is clearly wasteful in terms of rent, rates and the poor return on capital invested. But it is the excess number of warehouses that is so insidious. Suppose you have a choice of two warehouses of, say, 50,000 square feet each, or one of 100,000, then if you choose the former, that second 50,000 sq. ft. warehouse may shorten mileages but it does add to costs—it not only carries with it its own extra overhead structure, but it ties up more stocks and it misses the econo- mies of scale which are achiev- able in large warehouses.

He would notice how inflexible the trade's distribution pipeline has proved during the recent recession. Up to 80 per cent. of a company's distribution costs can be fixed. So if trade drops 10 per cent. the distribution bill doesn't drop 10 per cent., it drops only 2 per cent. and the unit costs rise, by 9 per cent. The only exception, and you must forgive the commercial, the only exception is for those companies using specialist contractors — because in that case you only pay the contractor for the work actually done and instead of having your costs 80 per cent. fixed they become up to 80 per cent. variable.

The Man from Mars might also notice that there is an inherent contradiction in the way the two sides of our trade, manufacturers and retailers, think about distri- bution. The economics of deliveries are highly sensitive to the size of the drop, so manufac- turers impose an economic minimum on the size of the order. But the retailer wants to reduce the size of the order — to minimise inventory costs including interest and stock- holding space at the back of the store the retailer wants minimum deliveries per line but at maxi- mum frequency. This con- tradiction is the "drop-size con- flict" and it has not been resolved.

So that is a brief recap of some of the problems of physical dis- tribution and they help explain why in most companies distribu- tion costs have been rising faster than inflation generally. I want to turn now to the reasons under- lying the problems. The first reason for many of these prob- lems is that the old transport approach to distribution is still too widespread. Too many com- panies still see distribution in terms of lorries and vans and they overlook how the different parts of the distribution pipe- line are interrelated. Distribution is still the Cinderella of business and Drucker's famous remark that distribution is the last frontier of management remains all to true in many quarters.

We must keep reminding the pundits that ours is a down-to- earth business—while they may use long words like logistics and multi-drop distribution vehicles and optimum warehouse facili- ties our basic job is concerned with vans and sheds—"shed" is an Anglo-Saxon four-letter word, and if you sat very long in a transport cafe you would never guess the word "van" had only three! To be fair, there really has been a swing from the trans- port to distribution approach over the last five years and it has produced some solid, prac- tical improvement—better van utilisation, higher operator stan- dards, improved warehouse lay- out, tighter control on order- processing and paper-flow, reductions of stockholding points and increasing use of specialist contractors to get the benefits of consolidated deliveries. Yet despite these efforts distribution costs have continued to rise, at a rate faster than retail prices.

Over the same five years a new breed of distribution manager has tended to replace the old transport manager. Your horny- handed haulier has given way to the modern manager, often younger and certainly better trained in the necessary skills. And besides the skills the distribution manager must have the personality to convince his colleagues in sales, production and finance that he really can maintain that fine balance between service and cost—and to do that he must talk their languages and understand their problems. Precisely because the distribution pipeline is a pipe- line from raw material intakes all the way through to the shopping basket the distribution manager must understand all stages of the pipeline and must straddle all the major functions of the modern food company. In other words he must be a general manager — which presumably makes him front runner to be your next MD!

Unfortunately most distribu- tion managers are not seen through quite such rose-tinted spectacles. The long list of prob- lems noticed by the Man from Mars shows that somehow the distribution manager is not really making his presence felt. It appears that all too often around the boardroom table he does not carry real clout com- pared with the accountants and marketing men. It is often just those companies who promote their brands most aggressively that are the worst offenders when it comes to incurring hidden distribution costs. I suspect that it is often in just those companies that the voice of the distribution manager is least heard when he points out the extra costs in terms of refusals, expensive peaks, worse service to other accounts, cross- subsidisation between accounts, and so on—his pleas are sacri- ficed on the high altar of more volume.

Nicholas C. F. Barber

The most important reason of all is our failure to analyse our costs properly — in the case of manufacturers the cost of refusals and promotions and rush orders, and in the retailers' case the cost of so many branch orders in terms of extra staff and extra paperwork and extra stock in your branches. Many of these costs are hidden, so it is not enough, to analyse them by overall averages alone—it is im- portant to analyse them in speci- fic terms by account and by type of branch. In all this analysis the golden rule should be this, that all decisions affecting your distribution service should reflect overall corporate needs rather than the aims of any parti- cular section. After all volume is only one means to the end, which is profit, and profit is a cor- porate goal.

In fact in distribution, as well as a corporate view, we should increasingly be taking an industry view. We should be viewing the distribution pipe- line as a whole and the coming of cage pallets is a prime example of the need for this.

So I come now to the question of what action to take. It goes without saying that our basic disciplines and operating stand- ards and communication methods for managing our vans and sheds and people should be first class —all too often they are not. We must analyse and understand our costs, our specific as well as overall costs—and that means having an adequate information system in the first place. Within your organisation structure you need a senior manager with specific responsibility for distri- bution overall, not just transport. Armed with clout and with de- tailed costs the distribution manager should tackle his col- leagues to re-examine their selling and buying methods. Ensure that those selling and buying methods are geared to your overall corporate needs rather than purely to getting more volume and that those responsible for selling under- stand the costs of the services they demand. Ensure you have thought through how far using a contractor could give you extra strategic flexibility.

None of this is a panacea. There is no single ideal solution. Each company must work out its own requirements. But these need not be complicated. I am not arguing for automated ware- houses or vehicle interchange points or reviving Operation Moondrop for night deliveries. We do not need any techno- logical breakthroughs. In fact we don't want new capacity of any kind whether of sheds or vans—in our industry we have an expensive surplus of both.

Mr. Barber is managing director of Cory Distribution and the article is based on a speech he delivered to the south eastern branch of the Institute of Grocery Distribution on Tuesday evening.

News in brief

● THE FIRST session of the Advertising Association Confer- ence will take the form of a debate on whether or not "the individual's well-being is more responsibly promoted by legisla- tion than by competitive persua- sion." Proposing will be Michel Carpentier, director, Environ- ment and Consumers' Protection Service of the EEC, backed by Eirlys Roberts, deputy director of the Consumers Association. Opposing will be Professor Charles Jackson Grayson, Dean of the school of business administration of the Southern Methodist University, Dallas, and Sir Arthur Knight, chairman of Courtaulds.

● THE TELEVISION audience divided its viewing time in April in the ratio of 52 to BBC and 48 to ITV, according to the BBC audience research figures. The Jictar share of audience figures, based on the number of sets switched on, puts the viewing ratio at 55 for ITV, 38 for BBC-1 and 7 for BBC-2.

● L'OREAL has announced the launch of a new product, Elseve Balsam, and states that £500,000 plus will be spent on the campaign.

● ROBINSONS, a soft drinks brand leader, is spending £400,000 above the line on the brand this month in its second major consumer promotion this year, and is also launching a new 4-litre pack.

● FOR LAST week's article "Not the best of trends," David Dunbar worked from the Decem- ber Business Monitor for off- licences' figures, which were sub- sequently corrected. In fact off- licences' turnover was up 27 per cent. in value and 3 per cent. in volume—the point remains that they did better than any other "food" outlet.

● HADDONS WPT is mounting a new campaign for Apollinaris, the German mineral water, which will run in the Press and Capital Radio.

Drinks at home

	All GB households	Expenditure on wines, spirits, beer 1975	1974	Household expenditure per annum (£) 1975	1974
All households	100	100	100	28	28
	%	%	%	£	£
Social class					
AB (business, professional)	12	18	23	42	54
C1 (non-manual)	22	26	26	33	33
C2 (skilled manual)	28	29	25	29	25
DE (other manual)	38	27	27	20	20

Work—when pay doesn't really rise—is clearly the curse of the drink- ing classes, as the table above shows. Last year the ABC1s took 44 per cent. of the drinks-drunk-at-home market while in 1974 they accounted for nearly half. Only the C2s spent more but it is highly unlikely that this covered the rise in drink prices and those who stuck to their 1974 budgets in 1975 must have taken a lot less on board. It is also clear where the ABs have made some savings. The figures come from Gordon Simmons Research (the study is based on 10,000 diary-keeping households) which also points out that some £510m. was spent last year on drinks brought into the home, a rise of only 2 per cent. on 1974. The amount spent on each visit to grocers, off-licences and other sources increased last year but less was paid over the pub counters for take home drinks. And the last quarter of 1975 accounted for 40 per cent. of the total take home market.

Cool customers

BY PAMELA JUDGE

FREEZER CENTRE customers are not so dissimilar from the population as a whole as is some- times suggested, they go to the centres relatively infrequently and they spend about 40 per cent. of their food budget on frozen foods. These are the major con- clusions in a report published by the Retail Outlets Research Unit at Manchester Business School. The study is based on detailed interviews with 350 shoppers at Cordon Bleu and Bejam shops.

Most of the centres attract customers from a very wide area, average travel distances being nearly five miles but reaching 9.5 miles. Nearly 70 per cent. of the shoppers travelled by car which is a lower percentage than those for superstores and discount food stores.

Monthly shopping trips were the most typical but a sizeable proportion of customers were less frequent visitors. Orders of £20 or more were quite common which explained why for many shoppers the visit to the centre was the only or the main reason for visiting the town centre. The main reason for 39 per cent. of customers' visits to a centre was the convenience of its location, but prices and the product range were also important influences.

Spending on frozen foods at centres was composed of meat (41 per cent.), poultry (10 per cent.), meat products (14 per cent.), fish (13 per cent.), fruit and vegetables (16 per cent.) and desserts (6 per cent.). In so far as the two chains were concerned Bejam's customers spent a higher proportion on their frozen food from Bejam's (48 per cent.) than did those of Cordon Bleu (37 per cent.) but the report says that this may be accounted for by the newness of the Cordon Bleu branches and the greater dis- tances travelled in order to reach them.

"Freezer centres and their customers," Retail Outlets Research Unit, Manchester Business School, Booth Street West, Manchester M15 6PB (£7.60).

Account changes

● BARCLAYS UNICORN and Barclays Life Assurance Com- pany have appointed Byfield Whelan Osborn and Cruttenden to handle their accounts as from July 1.

● GEERS GROSS Advertising has won the John Collier mens tailoring account in competition with Boase Massimi Pollit and The Kirkwood Company.

● HADDONS WPT has been appointed to handle a new advertising campaign for Arthur Murray, a franchised dance studio organisation with four U.K. studios.

● SKODA (G.B.) has appointed Childs-Greene Associates to handle all advertising and pro- motions for Skoda cars in the U.K.

● PIFCO has appointed a Man- chester based agency to handle its account, Bowden Dyble and Hayes, as from July 1. There was competition from both Man- chester and London based agencies.

● NICKLIN ADVERTISING has gained four new accounts this week, worth £270,000 in total. The largest account gain is the £100,000 International Synthetic Rubber account; the others are the £50,000 High and Mighty men's fashion chain account, Wilmot Breeden Electronics' £80,000 account, and a new product launch worth £40,000 for the Telex Corporation.

● CHARLES BARKER City will handle the London Life Asso- ciation account on a combina- tion of billing and grossed fees, expected to total £125,000 for the full year.

THE FINANCIAL TIMES
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Incorporating THE FINANCIAL NEWS
(Established 1884)
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BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026
Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 18 Hanover St. 031-226 4120
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.58.50 (editorial) 236.36.01 (business)
Bonn: Pressehaus 11/104 Heussallee 2-10 222506
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 129037
Rome: Via della Mercede 55 678 3314
Stockholm: Raalambsvägen 105 17 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C. 202 347 8676
Jo'burg: 637 Lilon Centre East corner: Pritchard and Harrison Streets. P.O. Box 2128
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

THURSDAY, MAY 13, 1976

The sensible decision

MR. JO GRIMOND'S decision to accept the leadership of the Liberal Party, albeit temporarily, is a sensible one. The party has been severely damaged by the events of the past few months, and a period of further turmoil and internecine strife might lead to its total eclipse. There are very few Liberals who cannot be relieved that their elder statesman has come back to calm things down: as for the rest of the country it has to be said that there is undoubtedly a need for a third party whose policies are radically different from those of the two major national parties. There is room for considerable debate about whether the Liberals are equipped to fulfil this role, but the fact is that as matters stand they are the only ones who are attempting to do so.

New direction

Yet the return of Mr. Grimond is in no way a guarantee of the end of the Liberal's search for a new direction and a permanent new leader. He said yesterday that he would stay only for a couple of months, until the new procedure for the election of a leader is agreed and put into practice. He strenuously resisted all suggestions that he himself would stand in any such election. But for all his excellent qualities Mr. Grimond cannot be said to be a man who is absolutely sure in his own mind whether he wants to be permanent leader or not. Until yesterday his position, repeated on several occasions, was that if he were to return to the leadership of the party he would do so only on condition that he stayed in the job for five or ten years, but never as caretaker. This is precisely the opposite of what he has now done: and in answer to the many questions pressed upon him yesterday he admitted that he might grow to like the job again.

Before he makes his positively final decision on whether or not to continue as leader for an indefinite period Mr. Grimond has several important tasks to undertake. He must ensure that the run-up to the forthcoming election is conducted as smoothly and efficiently as possible: this is important whether or not he himself becomes a candidate. He must try to guide the party towards a method of leadership election that produces a reasonable result, acceptable to both the party and the country. Its present proposals are perhaps too wide-ranging: there is in them the danger that a popular "grass roots" choice might produce a leader with whom the Parliamentary party might find it difficult to work. On the other hand there is no chance of the majority of party members accepting a closed, M.P.'s-only election, or something too close to that, with good grace. This is an area in which Mr. Grimond's judgment will be put to a severe, and early, test.

Eloquent

The second important task is to steer the party in a direction that a large number of people will find relevant to contemporary needs. Mr. Grimond himself has become an eloquent spokesman for those who insist that modern government (be it Conservative- or Labour-led) is too dependent on bureaucracies: his preferred solution is the return of powers and responsibilities to individuals, or small groups or people, or local areas. This is a potentially popular line, and Mr. Grimond is well equipped to pursue it, and to persuade his party to adopt it. All the ingredients exist in present Liberal policies, but even the best friends of the outgoing leader, Mr. Jeremy Thorpe, would not claim that he was an innovator in matters of ideology. Under Mr. Grimond and under the most astute of his possible successors, Mr. David Steel, the party would have a chance to develop and propagate this theme.

Straight down the middle

THE MORE abstract an issue, in general, the more acrimonious the arguments which it provokes. The running argument about the necessity or desirability or workability of a prices and incomes policy tends to be ideologically fierce just because the idea which it represents is vague, and it takes place inside political parties and other organised pressure groups as well as between them. It is particularly fierce at present inside the Conservative Party, partly for historical reasons, partly because the way in which the idea has been widened by a Labour Government into the "social contract," has both caused the public borrowing requirement to rise to a dangerous level and has greatly increased the power of the trade unions. It was high time for the Shadow Chancellor, Sir Geoffrey Howe, who has himself been closely involved in the changing pattern of Conservative thought on this matter, to work out a practical attitude which most Conservatives could support.

This he has now done, in a speech delivered yesterday, with considerable skill. He stresses that changes in the money supply are the basic cause of inflation, and that policies for interfering artificially with the free movement of prices and wages are likely, if maintained for long, to be economically and politically harmful as well as extremely difficult to manage. It is not excessive wage increases in themselves that cause inflation: it is the readiness of governments to increase the money supply to make these increases compatible with full employment.

Union attitudes

This is unquestionably true: and not the least disadvantage of buying trade union compliance in wage restraint with political favours over a period of years is that it tends to blur perception of the actual mechanism of inflation. Trade union leaders and their members may see clearly enough how excessive wage increases in one industry may lower employment opportunities in that industry, but they find it more difficult to relate the movement of wages in the country as a whole to the behaviour of unemployment in the country as a whole.

There are some signs, however, that this attitude is changing and that union leaders, who have always denied that wage claims are responsible for inflation, now realise that they may be responsible for unemployment unless the Government takes offsetting inflationary action—which, as our recent history has shown, can soon reach a level which threatens to destroy the established institutions of society. Because, however, it is a fact of postwar history that the maintenance of full employment (in an extremely generous interpretation of the phrase) has been regarded as a responsibility of government, we cannot move away from old preconceptions overnight.

Profit accepted

Sir Geoffrey proposes that we should move forward from the present position by better public education about the nature of inflation and the use of monetary policy: cuts in public expenditure—with better methods of handling wage claims in the public sector: a sharp rise in industrial profits; and, above all, with a much greater degree of public consultation about economic policy, perhaps through an extension of the National Economic Development Council. This is a policy which all but a minority of Conservatives should be able to accept. It is one to which various Labour politicians and trade union leaders seem gradually to be moving under the pressure of events and one which a surprisingly high proportion of workers would probably find acceptable. According to a survey of employee attitudes recently commissioned by the CBI, only a tiny minority believe that profit is a dirty word or that company profits are immoral. The same survey, incidentally, shows that a considerable number both of workers and of managers feel that they are under-employed and that there is widespread support among workers for the idea of profit sharing.

U.S. labour has been more adaptable than expected to changes in the telecommunications industry.

Inescapable problems of the electronic revolution

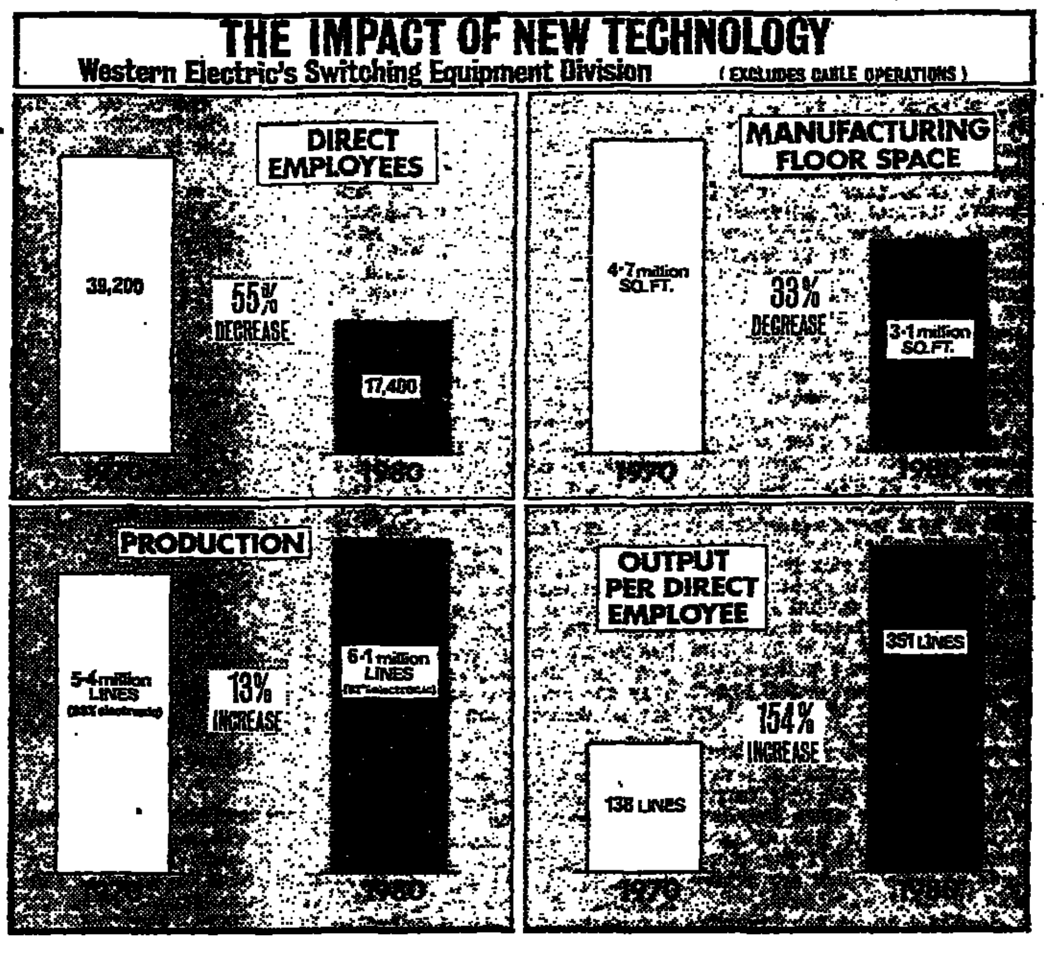
By CHRISTOPHER LORENZ, recently in the U.S.

IN THE last five years a wide range of industries has undergone a radical and painful change of character as they have transformed their product lines from mechanical or electro-mechanical designs to electronics. The latest European recruit to the list of industries undergoing this structural change is telecommunications—and the British industry is having to face up to the problems.

Among the first world industries to be affected were office equipment and cash registers: companies like Litton and NCR in the U.S. and Olivetti and Olympia in Europe, have been grappling with the problem for some time. Only last week Anker Werke of West Germany, one of Europe's leading cash register makers, finally threw in the sponge and went bankrupt after two years of extreme financial strain as it tried to cope with the transformation.

Apart from the need in some cases for new corporate links, in order to spread the load of developing and marketing electronics, transformation of a product line requires a series of changes in the factory as well as the office. Even if carried out over a period of years, they are drastic.

Others will follow the telecommunications industry in the 1980s, but few of them will be as weighty. Not only can many telecommunication products be classed as heavy capital goods (unlike office equipment or even cash registers), but the sheer size of the industry magnifies the problems, both in managerial and national terms.



Britain is affected

The countries most obviously affected are Britain and West Germany, whose Post Offices have committed themselves since 1973 to a shift in orders from electro-mechanical to electronic designs of telephone exchange, so as to modernise their networks and increase efficiency. The companies most affected are Plessey, GEC and ITT in the U.K., Siemens and ITT in Germany. Sweden's L. M. Ericsson is also directly concerned, in its case largely because of changing demands from overseas customers — electronics is now in demand in every country with a major telephone expansion programme, from Australia to Brazil, France to Iran and Saudi Arabia.

It is exchanges, or "switching" which are the focus of the challenge, partly because the transformation in their design is far more dramatic than in other sorts of telephone equipment, and partly because of their volume — exchanges account for over two-thirds of the British industry's output, for example.

Manufacturing electronics will affect all aspects of a company's operations, but nowhere more than in the factory. It will increase the buy-in ratio of raw and partly processed material, cutting the value added within the telecommunications plants. Partly as a consequence, it will require far less labour to produce than the old types—in the case of particularly advanced exchanges, less than half. Those employees who stay on will not remain unaffected, since there will have to be a shift of skills at all levels, with considerable attendant retraining problems. Changing skills will require greater flexibility on the part of unions used to traditional working practices and lines of demarcation.

These changes are inescapable. Two more, which are just as fundamental, are considered necessary by most European companies, though not all: the rundown of old plants and the opening of purpose-built new ones: and a shift in the male-female ratio on the shop floor, with the women benefiting.

As so often in other matters, the U.S. has experienced it all before us. The two largest U.S. manufacturers, Western Electric and GTE-Automatic Electric, have been producing electronic exchanges in volume since 1965 and 1970 respectively.

As a result, they have both had to deal for some time with the problems which are only now facing most of the Europeans. The lesson of their experience is that people and unions are far more adaptable than the management might have expected (in the U.S., at least), but that the impact of electronics on the manufacturing process may be greater than anticipated by even the most far-sighted planners.

Lower costs

For years, the two companies made electro-mechanical exchanges—either "step-by-step" or crossbar, its more modern successor — consisting of large and heavy pieces of electro-mechanical equipment. Western then set the lead with the introduction of computer software in place of electro-mechanical controls — the so-called "SPC" (for stored programme control) exchange. Western has already moved through at least three generations of SPC. The first two use compact, but still electro-mechanical, switches: a major difference is that the first did not use many integrated circuits. The third and latest has an all-electronic, solid-state digital switch, with no moving parts.

At every stage of this advance, the size of the equipment and its labour content have fallen: in the factory, in the installation teams, in the customers' maintenance pool and even at the initial drawing board stage. In return, the customer is getting better and more cost-effective service. Western's first SPC exchange, for example, cost no more to buy than its electro-mechanical predecessor, offered far more facilities to subscriber and telephone company alike (including better reliability), and cost less than half as much to maintain.

The key to the impact of all this on the manufacturers is the way in which their buy-in and added-value ratios are turned upside-down by the onset of electronics. Automatic Electric has had to make the most drastic transformation of all, directly from step-by-step to SPC, since it never made crossbar. Executives at its headquarters at Northlake, near Chicago, report that the direct labour content has fallen from about a third to a tenth on the new type of equipment. At Western Electric's New York headquarters, Mr. Joseph T. West, the executive vice-president, says: "We were surprised that the value added was so small." Bought-in materials accounted for only 20 per cent. of the cost of manufacturing step-by-step exchanges, he recalls, compared with 25 per cent. for crossbar, 60 per cent. for the first SPC generation, and 75 per cent. for the latest, digital, product.

The impact of electronics on the size of Western's switching labour force is illustrated on the left. The targeted output for 1980, in terms of lines, is 13 per cent. higher than in 1970, but it will need only 43 per cent. as many direct employees, and only two-thirds the factory space. The number of indirects will fall just as sharply—due partly to automation in offices and accounts departments—and the installation force will fall to only a quarter.

The shift in the composition of the total switching labour force is underlined by the fact that the number working on software will increase by about 600. Many of the new people will be writing exchange control programmes, replacing the much larger number on the shop floor who used to construct and wire together the traditional control "hardware" for step-by-step and crossbar exchanges.

By the time Western's output is entirely electronic there will have been a further, though smaller decline, and the process will continue as design improvements are made.

Both Automatic Electric and Western had planned to accomplish this drastic change in numbers and skills over many years, and with the minimum of redundancy—each has a 12 per cent. annual labour turnover in normal times. But, like the British and the Germans, they were caught short by the recession, and a sudden slump in orders. Mainly through natural wastage and voluntary redundancy, Automatic Electric has cut the labour force at its Northlake switching plant by 25 per cent. since 1971. Western was hit much harder, and through plant closures and large-scale redundancies has cut the number of direct employees on switching by over half since 1970, to 19,000. So, much of the programme for this decade has already been carried out. Within these overall "net" figures, there has been an even greater change, with some leavers offset by new recruits; Mr. West reckons that only about two-thirds of his direct switching labour force in 1980 would have been with the company ten years earlier.

The severity of these changes in the U.S., especially when compounded by the recession in orders, lend some support to the strategy of the British Post Office. It has purposely moved slowly into the electronic era through an intermediate design, TXE 4, rather than go direct to computer-control, which could have had an even sharper impact on its suppliers.

Even so, TXE 4 requires at least 40 per cent. less labour than crossbar, and the British telecommunications industry's labour force will fall by at least a third by 1978-79, from over 90,000 about a year ago. The recession in PO orders has accelerated the change, and made it more painful.

To the European visitor, the ease with which the two U.S. companies have accomplished the transformation is surprising. Executives at Northlake admit that "the morale problem" among their employees was bigger than expected, but many workers have been prepared to accept lower job grades as they moved to less skilled jobs on electronic exchanges. In spite of the presence of a dozen unions, Northlake's labour relations have been good (the company has had only three strikes in 19 years in the Chicago area), and there have been no demarcation disputes over the shift to electronics. Western's situation has been further eased by having only one union per plant.

Modern plants

Neither company has opened new factories (except for a pilot Western plant in Illinois), contrary to the current strategy of many of their European counterparts. The good labour record may be part of the explanation, but another is that only one of their existing major electro-mechanical plants is more than 20 years old, again a contrast with many of the European.

Another contrast concerns the composition of the labour force. "With fewer heavy machine operations, we thought there would be a shift" from men to women, recalls Mr. West, but the composite figure for all Western's switching plants has stayed steady at just over 50 per cent. Most European companies still expect a marked shift, however.

Even if the U.S. and European industrial relations contexts are different, there are many other common denominators. One is the cost of redundancies, as shown by Plessey's recent profit figures and by those of Western over the past two years. As the Europeans will discover in the next five years, another is the cost of converting factories to electronics: £18m. was spent at Northlake alone, more than the original cost of the factory. Multiply this on a world-wide scale, and you get some measure of the magnitude of the current industrial revolution in telecommunications.

MEN AND MATTERS

Accounting for tastes

Some genteel differences of opinion, ventilated in a general air of puzzlement, were evident in the City's Mansion House yesterday when a couple of company chairmen stepped up to accept awards for the quality of their report and accounts. Straight away, that presented outsiders at the lavish ceremony (Lord Mayor and all) with a bit of a problem: the award scheme has been going 24 years "to encourage the preparation of clearer and more informative annual reports and accounts," but these are the only criteria offered.

So the panel of judges, declining to be more specific, put yesterday's recipients themselves in a bit of a quandary. Richard Cave, chairman of Smiths Industries, was duly grateful but mystified why his group had collected one of the awards given by The Accountant magazine.

Perhaps it was all to do with the inclusion of inflation adjusted accounts in the main body of the report, which enabled Smiths to show three different profit figures—or, on another modish theme, Cave wondered if it had been something to do with the issue of a separate document for employees. That was full of coloured diagrams and laymen's explanations of knotty things like deferred taxation.

Well done, Smiths, but what then of the other winner, cider maker H.P. Bulmer? That company had not attempted to include inflation accounting, and chairman Peter Prior was distinctly unkind about the preparation of specially simplified accounts for the workforce.

He thought it "a patronising and almost insulting assumption to imply that the average man on the shop floor is less intelligent than the average shareholder."

Michael Wheeler QC, chairman of the judging panel, did give some hint of how he and his colleagues felt when he disagreed on Prior's worker-report standpoint. Wheeler felt such efforts did have a "role to play." And it appears likely that accounts which do not attempt to offer inflation adjustments will not after this year find favour.

High, low

Opening shortly in New York's Empire State Building is a museum of superlatives. The museum is intended to be a permanent fixture and one of its functions is to restore the flagging tourist revenue: income from this source has dropped off apparently since the building ceased to rate as the world's tallest. (That distinction now rests with the Sears Tower in Chicago.)

But the museum will also be a monument to the Guinness Book of Records which has done more than any other single publication to put superlatives on the map. In fact it is the record book people led by Norris McWhirter who have organised the affair, and McWhirter himself is flying out to the U.S. this week to supervise progress.

Also flying out is a life-sized model of the world's tallest ever man—Robert Wadlow from Alton, Illinois, who reached a height of 8 feet 11.1 inches and died in 1940. As part of the publicity surrounding the opening, the statue, which cost £1,800, will be met by the man billed as the smallest man on earth. That is Mihaly Meszaros, a famous Hungarian circus midget who, according to the Guinness book, stands 32½ inches tall. What the book doesn't say, but the encyclopaedic mind of Norris McWhirter has retained, is that Meszaros speaks only half a dozen words of English—two of which are Jesus Christ.

"Trying to cash in on the nostalgia boom!"

Unhealthy

What is your idea of a dangerous job? Coal mining, perhaps, or dodging trains to repair the railway track? According to Charles Margerison and Michael Fordham, being a company director is an extremely hazardous occupation. They put the position in a chillingly direct way: almost one in three members of the Institute of Directors will not live to collect a pension.

Margerison and Fordham are assistant directors at Bradford University's Management Centre, and to-day they produce some unpleasant statistics on the physical health in Britain's Boardrooms. "The director," they declare, "can be his own worst enemy. He stands by and lets it all happen. Of course, he fights the political battles at work—to get more staff, to secure rewards for his men and himself, to get more resources. But the battle he rarely fights is on behalf of himself."

Their researches show that only a quarter to a third of directors are doing "anything like enough to keep themselves physically fit." On the other hand, about 75 per cent. reckon they are doing enough to keep themselves mentally competent to do their work. A lot of the Bradford pair's findings, published in the latest issue of The Director, are of the no-surprise sort (the director's work "usually involves sitting down" and so on) but the conclusions are intriguing. A senior executive can be on his chair for 80 per cent. of the working week, which means physical inactivity for 75 days a year.

One last cautionary tale. Margerison and Fordham say there is a plant belonging to a major British company opened 25 years ago where no first level supervisor has been around to collect a pension. Some moved away, "but a lot didn't have the choice. . . ."

Hard to refuse

We have all come to regard America as the land of the hard sell, but a small ad. in the Herald Tribune puts a new perspective on the concept. It reads: "Divorce in 24 hours. Mutual or contested actions, low cost, Haiti or Dominican Republic. For information send $3.75 for 24-page booklet/postage/handling." With a bargain offer like that who can afford to stay happily married?

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

The green pound in your pocket . . .

ETWEEN JANUARY and pril, the wholesale price of raw aterials purchased by manu- cturing industry rose by over) per cent., if measured at an inual rate. During the same eriod the price of products irchased by the food indus- ies rose by just under 20 per nt. The big discrepancy is rgely due to the behaviour of e "green pound" which iverns certain food prices ider the Common Agricul- ral Policy. In contrast to the dinary pound, the "green ound" has not been devalued nce October 1975.

If the green pound had fal- n by the full amount of erling depreciation, wholesale ices of those foodstuffs where EC intervention effectively iverns the price would be 19 er cent. higher, retail food ices perhaps 5 per cent. gher and the retail price dex about 1 to 2 per cent. gher. Indeed, the behaviour the green pound is likely to ake at least as much difference the short term behaviour of ices as the fate of the next und of incomes policy— hich may not be saying very uch.

The basic features of the een pound are in fact simple. is the mechanics, exceptions, lministration and anomalies hich provide the nightmares. et us suppose that we had a ial exchange rate, with one te for the great bulk of trans- tions and another specially gh rate for agricultural pro- icts. The differential could be aintained by subsidising agri- iltural imports and putting a vy on farm exports.

In a food-importing country, ich as the U.K., the subsidies ould exceed the levies. The ily difference between the een pound and a straight-forward dual exchange rate is that the net cost of the subsidies is paid out of the EEC Budget rather than by the British Treasury. That is really all there is to it. Germany maintains an opposite kind of dual exchange rate, with a lower rate for agriculture than for other transactions. Net payments by the Community to beneficiaries of "green" currencies are running at £300m. per annum (out of a total Budget of £2bn.-£2½bn.) of which the U.K. is receiving about £200m. per annum and Italy about £100m.

Now for a tiny fraction of the complications. The agricultural price levels which are lowered in the U.K. by the green pound and raised in Germany by the green mark are not—alas—world market prices. They are so-called "common prices" fixed by Community Ministers in Brussels and enforced by a network of intervention boards.

Common prices are fixed in "units of account." Since June 1973, the unit has been defined in terms of the currencies of the countries in the joint float, better known as the "snake"—now Germany, Benelux and Denmark. On May 5, 1976 there were 1.45487 units of account to the pound.

Green currencies first arose when the French devalued and the Germans revalued in 1969. The French were not prepared to see the cost in francs of their food rise by the full amount of the depreciation; and the Germans were not prepared to see the prices in marks received by their farmers fall. Subsidiaries were therefore provided for French consumers and German producers.

The official name for the green exchange rate is the representative rate. This is in practice fixed by national Governments after a great deal of haggling with their partners. The U.K. representative rate stands at 1.7556 units of account to the pound compared with the market rate of 1.45487.

The mechanics of the green pound are illustrated by the table. It will be best to start with the left-hand side. The example is for skimmed milk shipped from Germany to the U.K.

The CAP price for 100 kg. of skimmed milk was 90.16 units of account on May 11, 1976. A variable sum known as a monetary compensatory amount or MCA, is paid to keep both the mark and sterling prices constant despite foreign exchange market fluctuations. The green rate is simply the ordinary exchange rate plus or minus the MCA.

On May 11, 1976, 90.16 units of account were equivalent to only 290.29 marks. The German exporter therefore received a subsidy of 7½ per cent. to bring his receipts up to 313.83 marks, which is the CAP price converted at the representative rate. This transaction does not affect the British consumer and is a matter between the German Government and the Community.

The CAP sterling price of the milk converted at *the market exchange rate* was £61.97. An MCA subsidy of 19.2 per cent. related to the desired final price was paid to the U.K. importer to keep the price down to £52.11. The end result is that the landed price of imported skimmed milk, excluding transport, in the U.K. is £9.86 lower than it would otherwise be.

To understand the change in the system to be operated from May 17, one needs to fasten one's safety belt. The Community Budget is drawn up in units of account, different from those used for the CAP. Exchange rates for budgetary purposes are defined by ancient pre-Smithsonian parities. The strong currencies are undervalued for the purpose, and the weaker currencies overvalued. There are 2.4 budgetary units of account to the pound.

The budgetary unit is used simply as a yardstick for measurement. But because of the anomalous conversion rates, the EEC Farm Budget appears to cost less if more operations are conducted in the strong currencies, although the contribution of each country in its own money remains identical. For this reason the EEC Ministers have decided to switch the MCA subsidies for the U.K. and Italy from the importer to *the exporter, as shown on the* right hand side of the table, which leads to a fictional saving of nearly £150m. in a full year.

The result is the German exporter receives an extra subsidy of DM46.19 (shown in the third line of the table), which is used to reduce the import *price into the U.K., and the end* result is identical. But there will now be a presentational difficulty. British Ministers will no longer be able to point to £200m. of receipts from the Community for MCA purposes. Instead, CIF import prices will be lower, and the U.K. Intervention Board will no longer have to make payments to British importers.

It would be very superficial to conclude from the figures in this article that the Common Agricultural Policy has, contrary to expectations, turned out to be a source of benefit for Britain. EEC prices are above world market levels. The savings on the food bill through *the green pound are just a* partial offset against being deprived of the right to buy food in the cheapest market—which is a genuine deprivation, even if only a minor contribution to the U.K.'s economic problems.

The differential between the *green pound and the market* exchange rate cannot widen indefinitely. Not only is there pressure from EEC countries which have to meet the bill. Rather more important, British farmers are squeezed between the rising cost of items such as fertilisers, fuel and machinery —which are imported at the normal rate of exchange, or which reflect British internal inflation rates — and selling prices which are determined by the pegged green pound.

On the other hand, the green *pound cannot be regarded in* isolation. The recent Community farm price increase of 7 per cent., which amounted to 12 per cent. for the U.K. because *of the addition of a transitional* rise to bring price levels up towards Community levels, provided some offsetting help for the British farmer.

It is widely assumed in London that the green pound will be devalued again after the special TUC conference in June approves the incomes policy; and this is in fact probable. The Treasury is, however, fighting hard for the view that any devaluation must be traded off against some improvement in the CAP.

Enthusiasts of the CAP, such as M. Pierre Lardinois, the retiring Brussels Commissioner, tend to blame "currency chaos" for the Byzantine complexities which they say are threatening to wreck the policy. The policy has an unfortunate habit of surviving; and its real difficulties have nothing to do with floating exchange rates.

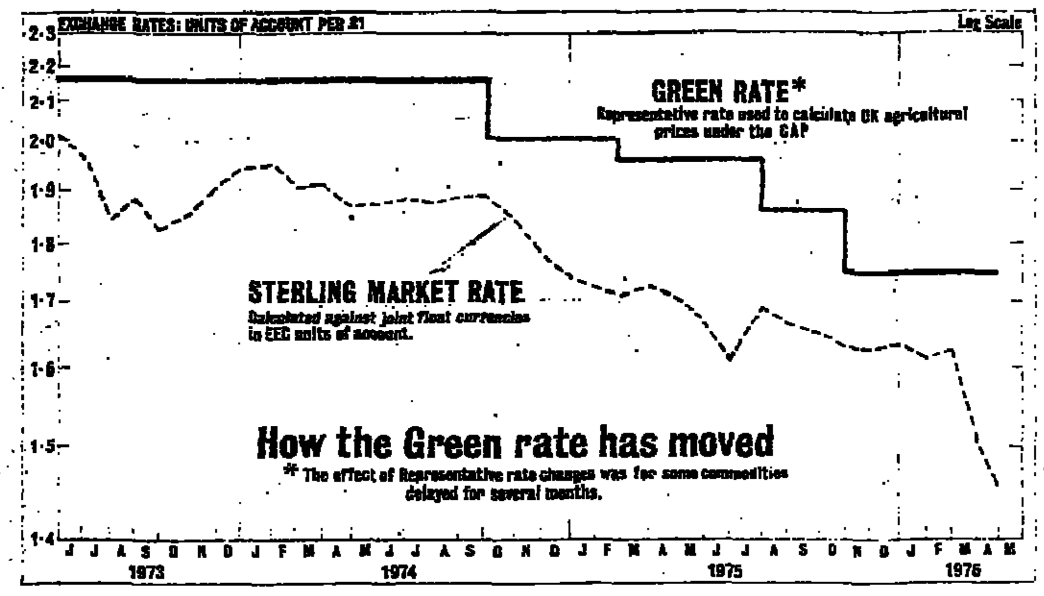
The fact is that an exchange rate which suits a member Government for other purposes may not suit it for agriculture. But the underlying problem is real, not monetary. It can easily be shown that if exchange rates *had been rigid, and countries* had adjusted their balance of payments entirely through internal price changes, the same difficulties would have arisen. The real problem is that European Governments are simply not prepared to accept the changes in the terms of trade for their own farmers which would arise from unimpeded flow of goods across frontiers. That is why it was so absurd to make common agriculture prices the ark of the EEC Covenant. So far from being *the biggest success of the Com*munity, agriculture is the major area where members are not yet ready to accept a genuine Common Market, let alone a *reasonable and moderate rate of* protection against the outside world. As so often, the slogans and the jargon have the opposite meaning to what they bear on the surface.

HOW THE SYSTEM WORKS

British import of 100 kg German skimmed milk

	System applicable June 1973 to May 16 1976	From May 17 1976
Market price in Germany	DM 313.83	DM 313.83
Less German Monetary Compensation Adjustment	DM 23.54	DM 23.54
Less British Monetary Compensation Adjustment	—	DM 46.19
British c.i.f. price in DM (1) ...	DM 290.29	DM 244.10
British c.i.f. price in £(2)	£ 61.97	£ 52.11
Less British Monetary Compensation Adjustment	£ 9.86	—
Net landed price in U.K.	£ 52.11	£ 52.11

(1) Ignoring transport costs
(2) Converted at ordinary market rate



How the Green rate has moved

* The effect of Representative rate changes was for some commodities delayed for several months.

Letters to the Editor

British Steel needs Cardiff

rom the Vice-Chairman, ast Moors Works Council.

Sir,—There are one or two very nportant points that have to be onsidered by the Select Com- iittee on Nationalised Industries nvestigation into British Steel s far as the current investment rogramme is concerned.

As far as Guest Keen and ettlefold's Cardiff requirements *e concerned steel coming from* unthorpe which has been found be out of specification—not un- mmon in steelmaking — has en sent back for re-dressing at ansport costs of £5 a ton. Some- 0 tonnes were recently sent ck. The cost advantage of ving a close customer-producer lationship like that of GKN and st Moors has yet to be aluated by BSC and GKN.

The modernisation scheme iich was put to BSC for East ors was never seriously con- ered by Sir Monty Finniston or decision team because Sir nty wanted the tonnage of st Moors to make his five large nplexes economical: to be onomic they have to produce at per cent. capacity.

The extension into steelmaking private steelmakers also needs rough investigation as their duction is only taking from C's order book. The mini-steel- rks which are being built by vate steelmakers, mainly in 's closure areas, are going to ke the availability of scrap— l indeed the price of scrap— ajor problem for BSC.

Ve also hear now of the sibility of a private con- tium taking over the blast naces of Shotton or East rs. From the private steel- kers' point of view this would a terrific boost to the fitability of the mini-steel- ks as the shortage of scrap shot prices up sky high. As e mini-works are built the d for scrap will be greater this will be reflected in the e.

he other alternative to make se mini-works profitable is for private sector to build a al pellet producing plant. s was allowed for in the lernisation plan the East rs Works Council put for- d. BSC obviously has ideas ut this as it has an option on l at Cardiff for such a plant ch it recently renewed with diff council.

ord Beswick said East rs would not close before and only then if BSC could ply GKN's requirements. en are the BSC and GKN ton s going to realise, as Lord wick must have, that under present BSC strategy those uirements cannot be met out additional investment. dditional investment has to nade make it at Cardiff where tonnage requirements for ts have to be met.

Tobutt.
Banwell Place,
rumney, Cardiff.

The company car

n Mr. R. Merrick

r,—Terry Dodsworth and iolas Leslie in their excellent le, "The shifting executive market" (May 10), failed to ment on one aspect of com- cars which understandably es irritation to the (greater) ority of non-company car s.

hile one must agree that the ility of a company car is ntial for the business effici- of the representative and r categories of managers of necessity must travel, sees increasingly the car s of large and small companies bursting with company cars. These cars are very rarely used on company business being almost exclusively "home to office" vehicles regarded as the individual's personal car. How on earth can the work force equate "company car" with its implied use for the benefit of the company with their know*ledge of nine-to-five desk-bound* executives and managers never using the car at any time other than as a personal vehicle.

That the Chancellor has chosen to tax what is nothing more than an expensive perk to the very persons who could afford to buy them is to be applauded. There are many of us who wish him more power to the elbow in eradicating tax fiddles that abound. After all, the man with the weekly wage packet is seen to pay his tax and if he wants a car he has to pay for it—after tax.

R. V. Merrick.
Blue Pigeons,
Worth, near Deal, Kent.

Fight against inflation

From Mr. G. Schwartz

Sir,—In 1974-75 I used 16 per cent. less electricity and paid 21 per cent. more than in 1973-74. Similarly, I used 0.2 per cent. more gas and paid 21 per cent. more for it. I made 22 per cent. fewer telephone calls and paid 8 per cent. more for them. My National Insurance contributions have increased by 31 per cent., not to speak of fares, postage, potatoes, coffee, etc., just to mention a few. I am glad that the Chancellor tells us that we are beating inflation.

He could have fooled me!

G. T. Schwartz.
24a, Avenue Road,
Highgate, N.6.

A tax on tourists

From Mr. N. Baker

Sir,—I cannot allow the letter from John Seekings (May 10) putting the alleged benefits of the tourist industry to this country and arguing against the tourist tax to go unchallenged. In particular his suggestion that the problems of annoyance caused by tourism are getting better, not worse, at least as far as London is concerned would be regarded as totally laughable by the residents of Bayswater and Paddington.

It is particularly noticeable this year that, following the latest devaluation of the £, the hordes of disrespectful, rude and noisy tourists from Germany, Holland, Scandinavia and America at the cheaper end of the market have increased substantially. The consequential disturbances suffered by residents of this area have correspondingly grown.

But on Mr. Seeking's general point there are substantial grounds for believing that the so called benefits from the tourist industry have been grossly over exaggerated in the past. Residents of inner London have been forced out by the growth of hotels (artificially encouraged by the last Labour Government) at a social and environmental cost which may never be measured.

Those actually employed in servicing the tourist industry are, particularly in an area of second or third grade hotels such as Bayswater, recruited largely from immigrant workers especially for the purpose so that the benefit to employment in this country from the substantial hotel branch of the tourist industry is marginal at best. Substantial amounts of the profits earned by those working in the tourist industry are remitted to the immigrant workers' country of origin and families in that country.

Costs in terms of local authority resources are difficult to measure but can only be very substantial indeed. Extra refuse collection, additional road sweeping, extra man-power to try to enforce fire: health and safety, food and restaurant regulations are required. Additional man-power and resources are required to deal with the heavy traffic flow, parking of coaches and policing of streets at night. Extra litter, damage to pavements, lamp standards and trees are only some of the ways in which residents' amenities are reduced and *the environment of inner London* becomes less tolerable year by year thanks to tourism.

The bland assertions of Mr. Seekings and his ilk, who have a vested interest in tourism, are not supported by the experience of residents at any rate in this part of inner London. We do not believe that the true costs and benefits of tourism have ever been properly analysed.

Nicholas Baker.
3, Leinster Square, W.2.

Business and the Tories

From Mr. G. Young.

Sir,—Mr. Geoffrey Rippon, Sir Keith Joseph, and your editorial of May 10 are right—even at the price of acrimony—to raise the issue of relations between business and the Tory Party. Over the past year Mrs. Thatcher and those she is pleased to call her "lieutenants" must have eaten at least a hundred boardroom lunches at which City figures, industrialists and others have tried to extract what exactly will be the practical economic policies of the next Conservative Government.

In spite of all the fine phrases about free enterprise, personal initiative, cutting the public sector, etc., there has been a total refusal by the Conservative leader to commit herself. Our own group which has links with some sixty constituency associations across England and Scotland receives the same tale from disillusioned local businessmen. The same unwillingness to specify a Tory plan for progressive denationalisation of State enterprise, to set out priority public expenditure cuts, to close down the various Nosey-Parker bodies which have grown up in the last decade. "You'll have to wait until we're back in office," we are *told. And when* we say that this no way to win an election, back comes the usual MP's bleat: "But you don't understand. . . ." Of course we don't.

The annual Conservative conference tells the same tale. A complacent platform party, no embarassing motions for discussion, safe speakers selected by the Central Office manipulators and a loyal but uninspiring audience. Not a single leading personality from industry, commerce, or banking.

It is *of course part of a deeper* estrangement between business and politics which became obvious in the latter years of the Macmillan regime and has got steadily worse. Since take-home pay is much the same for those earning £15,000 and over, some businessmen (and women) inevitably break ranks and go for the honours and perks of the State sector. "Ohne mich" is the mood of those who remain.

For the nation's political and economic health this must come to an end. As a first step the heads of the companies making the six largest donations to the Conservative Party could say: "Not a bean until you stop waffling and get down to brass tacks." And the aforesaid six business leaders should stop saying: "Of course in my position I cannot stick my neck out." Instead they should go to the annual Tory jamboree and insist on getting time on the rostrum to enunciate the facts of economic life. They will be delighted at the audience response. Something will have been started.

G. K. Young.
Tory Action.
P.O. Box 850, W.14.

Ministers and the Mandarins

From Mr. C. Tugendhat MP.

Sir,—As an MP, who has never been in government and therefore has no axe to grind, I should like to comment on Peter Hennessy's article "The Ministers and the Mandarins" (May 10).

It is, of course, right that Ministers should carry the responsibility for their decisions, and not seek to hide behind civil servants. But the quality of ministerial decisions must usually depend on the quality of the advice they receive. Lord Barber, for instance, has been widely blamed for the monetary policy pursued during his Chancellorship, and both he and the Conservative Party have paid a heavy price for it. But what about the Treasury? Was he acting in accordance with, or against, the recommendations of his advisers and to what extent were their forecasts responsible for his misjudgements?

Senior civil servants are now paid substantially more than Ministers, and are indeed among the few people in this country whose remuneration compares favourably with that of their con*tinental equivalents. They also* enjoy a quite unusual degree of job security. Yet, neither Parliament nor the public is in a position to judge the extent to which they are responsible for what goes wrong. Whatever the 19th century traditions may lay down, this cannot be right. The interests of good government—whichever party is in power — would be better served if Parliament and the public knew more about the advice given by civil servants, and more about what happens to those who consistently get things wrong.

When men and women are paid large salaries out of public funds, and wield great influence over public affairs they should be prepared to accept some degree of public accountability.

Christopher Tugendhat.
House of Commons, S.W.1.

Moonlighting tactics

From Mr. J. Cripps

Sir,—If the temptation (Mr. *Hall, May 10) to moonlight for* undeclared receipts, not just of cash but in kind, fails to be resisted then surely equally illegal acts have been committed.

Even a *quid pro quo* fails to be legally and morally impeccable if undeclared.

Surely the correct tactic is to minimise taxable profit by maximising capital expenditure allowable and revenue expenditure desired. Return on assets will be relatively unimportant providing what is acquired is covered by the moonlight income gained. After all, if the moonlighter already has a salary he will not be looking for further income. All he wants is to spend money without, for tax purposes, earning it.

Jeremy G. A. Cripps,
21, Mill Lane, N.W.6.

To-day's Events

GENERAL

Result expected of ballot for two vacancies on Parliamentary Labour Party/Government Liaison Committee.

Scottish Conservative Party conference, Perth. Replies to debates by Mr. Edward Taylor (Opposition spokesman on Scottish affairs) on education; by Sir Geoffrey Howe (Shadow Chancellor of the Exchequer) on taxation; by Mr. Francis Pym (Shadow Agriculture Minister) on agriculture; and by Mr. Alick Buchanan-Smith (Shadow Scottish Secretary) on unemployment in Scotland.

Details expected to be published of Equity Capital for Industry project.

Islamic Conference of Foreign Ministers, Istanbul.

President Tito of Yugoslavia on official visit to Greece.

House of Commons Select Committee on Race Relations and Immigration hears evidence from West Indian community, Runnymede Trust and editor of West Indian World.

Industrial Society conference: "Europe—Supervisory Boards in Practice," 3, Carlton House Terrace, S.W.1.

Association of British Chambers of Commerce annual general meeting, Birmingham. Guests at its annual dinner include Sir Frederick Catherwood, chairman, British Overseas Trade Board, Sir Ralph Bateman, CBI president, and Sir Ronald McIntosh, director-general, National Economic Development Council.

British Transport Docks Board annual report published.

National Federation of Wholesale Grocers and Provision Merchants conference, Hotel Russell, W.C.1. Guest speaker is Mrs. Sally Oppenheim, MP, Opposition spokesman on prices and consumer protection.

PARLIAMENTARY BUSINESS

House of Commons: Finance Bill, committee.

House of Lords: Public Lending Right Bill, third reading. Local Government (Miscellaneous Provisions) Bill second reading. Endangered Species (Import and Export) Bill, report stage.

OFFICIAL STATISTICS

Finished steel consumption and stock changes (first quarter—provisional).

COMPANY RESULTS

Lloyds and Scottish (half-year). Philips' Lamps Holding (first quarter). Royal Dutch/Shell (first quarter). Royal Insurance (first quarter).

COMPANY MEETINGS: See Page 24.

SPORT

Golf. Piccadilly Tournament, Finham Park, Coventry.

COMPANY NEWS + COMMENT

Folkes Hefo on target at £3.96m.

COMPARED WITH an interim forecast of profits in the region of £3.86m. *John Folkes Hefo, the* Midlands engineering group, has turned in a pre-tax balance of £3.96m. for 1975. This represents an increase of £411,000 on the previous year.

The dividend is raised by the maximum permitted — from 1.08227p to 1.11019p net with a final of 0.78019p.

	1975 £000	1974 £000
Turnover	53,369	49,223
Trading profit	6,245	6,513
Depreciation	1,011	1,045
Interest	1,066	1,517
Directors' emoluments	124	105
Auditors' Remuneration	73	74
Unsec. loan interest	52	64
Pre-tax profit	3,959	3,548
Taxation	2,046	1,869
Net profit	1,913	1,679
Unrequired mortgage resv.	—	24
To pensions	100	90
Off Goodwill	632	300
Terminal losses	139	—
Pref. dividends	3	3
Ordinary	498	426
Forward	4,779	4,228

An analysis of profit before tax and *unsecured loan interest* shows: Engineering £3,770,000 (£3,378,000), merchanting £387,000 (£225,000), and housing loss £146,000 (£9,000 profit), making £4,011,000 (£3,612,000).

The housing division profit of £53,911 in 1975 has become a loss by making a provision of £200,000 *to reduce certain housing land to* estimated realisable value, the directors point out.

Total borrowings decreased from £7.93m. at December 31, 1974 to £4.49m. at December 31, 1975.

● comment

A full year pre-tax rise of 11 per cent. has left **John Folkes Hefo's** 1975 profits slightly ahead of the half-time forecast of doubled interim profits. All of the increase has come from a £457,000 reduc*tion in interest charges:* as expected at the halfway stage when profits were 25 per cent. *higher, the growth rates eased* considerably in the second six months. This reflected both a *£200,000 property write-off* on the housing side and a sudden deterioration in activity on the heavy forging side which had made most of the running in the first half. No further housing *write-offs are expected and there* are now signs that profits have begun to pick up: the group is aiming to increase starts by roughly 50 per cent. this year to around 450. The lighter engineering side is also showing signs of increased activity and although the first half of the year is un*likely to show any significant* change in group profits. FH is looking for a sharper increase in the second half. The debt equity ratio has now been cut to around 62 per cent. (against 90 per cent. at half-time) and with borrowings expected to be trimmed further this year—by perhaps *£1m.*—the NV shares at 22½p, yielding 7.8 per cent., are not without support.

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INDEX TO COMPANY HIGHLIGHTS

CMT off £0.6m. at midway

FIRST HALF 1975-76 profits of **Central Manufacturing and Trading Group** show a sharp reduction from £1.86m. to £1.26m., but on present indications chairman Mr. N. N. Hickman believes that the result for the second half will represent a "marked improvement" over the figure for the corresponding period of 1975 when a pre-tax balance of £1.4m. was achieved.

The chairman explains that in the first half all the group felt the impact of increasing costs. *The national level of economic* activity which had begun to decline in the second half of last *year continued in the first quarter* of 1975-76 and saw the lowest point of trading conditions which were intensified by de-stocking and extra holidays.

The second quarter saw improved demand and as a result profitability increased compared with the first quarter. The first six months reflects, therefore, the full impact of the severity of the recession.

Looking to the second half, Mr. Hickman reports that a further *improvement has taken place in* the third quarter and he anticipates the fourth quarter moving *out of the recession more briskly* as industrial confidence returns. The group is benefiting from a much improved order intake, especially in steel stockholding and also from the recent rise in the steel price.

	Half year 1975-76 £000	1974-75 £000
Sales	21,129	22,735
Industrial services	7,015	6,862
Steel, etc.	10,331	12,229
Tubes, fittings, etc.	1,082	1,149
Light engineering	1,746	1,723
Drop forgings, etc.	781	782
Trading profit	1,590	2,198
Industrial services	671	920
Steel, etc.	478	715
Tubes, fittings, etc.	195	215
Light engineering	162	169
Drop forgings	121	159
Interest payable	333	336
Profit before tax	1,257	1,862
Tax	522	866
Net profit	735	996

Providing the recovery in the U.K. economy takes place and can be sustained beyond the short term, CMT would expect to be in a position in 1976-77 to take full advantage of capital expenditure undertaken over the past years.

Earnings per 10p share are stated to be down from 5.3p to 3.9p in the first half. The interim dividend is raised from 1.105p to 1.19p net—the directors expect to recommend a maximum permitted total of 2.38437p for the year, which would compare with 2.167791p.

● comment

With less than three months of **Central Manufacturing's** year to run, the anticipated improvement in the second half, after the 33 per cent. pre-tax drop in the first six months is clearly well based. There has been a strong recovery in turnover, and in orders in steel stockholding which will also *benefit from the recent price* increases, while industrial services are also on the upturn: both these divisions were responsible for most of the mid-term profits drop. So earnings per share of around 9p (10p in 1974-75) may be on the cards which will put the shares, at 53p, down 3p, on a *prospective p/e of 5.7 and cover* a yield of 7 per cent. 3.8 times.

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Jersey General

Net profit of **Jersey General Investment Trust** was up from £529,438 to £574,704 for the year ended April 30, 1976.

Final dividend per £1 share is 6p gross, making 10p (9.5p) total.

Including the full dollar premium net asset value is 298p (261½p).

Latter half downturn at Deritend

AFTER RISING slightly from £740,000 to £753,000 in the first half, pre-tax profits of **Deritend Stamping** finished the year to February 29, 1976 down from £1,660,284 to £1,332,285 on turnover of £18.93m. compared with £18.08m.

	1976 £	1975 £
Sales	18,934,000	18,079,000
Trading profit	1,403,043	1,720,017
Interest payable	70,758	59,733
Profit before tax	1,332,285	1,660,284
Taxation	714,081	874,472
Extraordinary debit	—	62,739
Leaving	618,204	723,073
Interim dividend	73,680	88,765
Proposed final	127,712	117,899
Balance	416,812	516,407

The directors say that sales were similar despite the depressed market, but profits were reduced due to pressure on margins. "We *appear to have reached* the bottom of the depression and the new year has commenced satisfactorily," they add.

Earnings are shown to be down from 32p to 25.2p per 50p share. The dividend total is lifted from 7.6p to 8.2p net with a final payment of 5.2p.

● comment

Deritend probably reached the trough in the second half when pretax profits slumped 37 per cent., leaving full-year profits 20 per cent. lower and margins a full two points down at 7 per cent. After losing £80,000 on redundancy costs last year, the group is still working at only 75 per cent. capacity and, although the order book is improving now, any real recovery prospects in the current year will depend on the progress of the national economy. In addition, the group remains to some extent vulnerable to the industrial problems of British Leyland, which accounts for about 20 per cent. of its motor industry orders. A first profits contribution, however, can be expected this year from the new aluminium castings company, which is reportedly already doing well from aerospace and missile industry orders. The dividend is covered three times while the p/e is 5.6 on the shares at 146p. The yield is 8.9 per cent.

British Syphon falls £½m.

Profits of **British Syphon Industries** fell sharply from £617,305 to £71,362 in 1975, after being down from £406,514 to £8,372 in the first six months.

In view of more hopeful prospects for 1976 an *interim dividend for 1975 is declared of* 0.5p per 20p shares together with *a final of 0.7675p, to make a max*imum permitted total of 1.2675p net, compared with 1.166p.

Chairman Mr. J. M. Anderson says that the long-awaited upturn has begun to materialise and this, together with the demand for the *company's new products, is being* reflected in current trading.

While unwise to predict for the year as a whole, he reports that currently the company is trading at a level which indicates a return to the profitability enjoyed in previous years.

● comment

British Syphon carried on with its development programme—which cost £75,000 last year—in spite of a 56.5 per cent. fall in trading profits on a sharp downturn in volume sales. The pretax figure is 88 per cent. lower after higher interest payments which now account for more than 80 per cent of trading profits. By reversing the interim decision of no dividend payment the Board is clearly more confident about prospects. This gave a boost to the shares which rose 3½p yesterday to 24p giving a p/e of 34 and a prospective yield of 8.2 per cent., but on 1975 earnings, the proposed total dividend is uncovered. The current upturn is largely on the drinks dispensing and cooling side which fell last year to 38 per cent. of total profits against more than 53 per cent. in 1974 as a result *of economy measures carried out* by the major customers.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Irish Banks	4.32(a)	*July 1*	3.88	6.9	6.23
Altifund (Cap.)	0.24	July 22	0.22	0.34	0.32
Altifund (Inc.)	4.75	July 22	4.33	6.75	6.33
Belgrave Assets int.	0.25	June 28	0.25	—	0.88
British Borneo Petrol.	3.63	July 8	3.3	5.49	5.04
British Syphon	1.27(b)	—	—	1.27	1.17
Central Manufacturing int.	1.19	July 5	1.1	—	2.17
C. and W. Walker	1.26	—	1.25	2.68	2.55
Deritend Stamping	5.2	July 15	4.8	8.2	7.6
External Trust	1.5	July 2	1.45	3	2.7
John Foster	0.81	July 14	2.03	0.81	2.87
John Folkes Hefo	0.78	Aug. 2	0.35	1.11	1.02
Chas. Hill Bristol	2	June 29	2.6	4	2.6
Jersey General Trust	6(a)	July 8	5.5	10	9.5
Lon. Asiatic Rubber	1.9	July 21	1.72	2.3	2.1
Meru Group	0.33	July 1	0.29	0.33	0.29
Messina (Transvaal) int.	20(c)	July 5	15	—	35
Jefferson Smurfit	7(a)	—	6	11	10
Transatlantic and Genl.	1.5	July 2	1.45	3	2.7

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and or acquisition issues. (a) Gross. (b) Comprising interim 0.5p and final 0.7675p, payable June 10 and October 1 respectively. (c) South African cents.

ICI first quarter rise to £115m.

WITH THE one-for-eight rights issue to raise £200m., **Imperial Chemical Industries** reports a continuing recovery in the volume and value of group sales in the first quarter of 1976, and a pre-tax profit increase from £73m. to £115m.

Sales were some 25 per cent. higher at £936m.—split as to the U.K. £379m., an increase of 22 per cent., and overseas £557m., up by 27 per cent. The f.o.b. value of exports improved from £147m. to a record £190m.

The directors warn, however, that increasing costs arising in part from the recent fall in the value of sterling will be felt in subsequent quarters.

In the absence of unforeseen circumstances, they propose to raise the net dividend total from 11.8243p to 14.78055p on the increased capital. At the gross level this represents an increase of 25 per cent. for which Treasury permission has been obtained — the directors plan to bring the interim and final payments more into balance.

	First quarter 1976 £m.	1975 £m.	Year 1975 £m.
External sales	936	749	3,129
Depreciation	47	42	187
Profit before tax	115	73	321
Taxation	45	34	130
Regl. devlp. grants	7	7	25
Extraord. debit	—	—	5
Minorities	5	4	24
Attributable	72	42	187

* Less investment grants.

Certain subsidiaries mainly in Europe and U.S. have changed their accounting year end from September 30 to December 31. The comparative figures for the first quarter and the full year have been restated to reflect this change.

Pre-tax profit for 1975 includes a credit of £29m. from the conversion into sterling of the net current assets of overseas subsidiaries. Of this, £13m. was taken into the profits of the third quarter and 16m. into those of the *fourth quarter. On the basis of* the movements in the exchange rates so far this year a similar credit can be expected for 1976, but following previous practice no part of this has been included in the first quarter. Excluding such exchange gains, the increase in profits in the first quarter of 1976 compared with the fourth quarter of 1975 is therefore £22m.

On a CPP basis the group profits before tax for the first quarter would be reduced by some £50m.; *this compares with an adjustment* of the same amount for the first quarter of 1975 and £245m. for the whole of 1975 for the conditions of inflation which existed then.

The charge for tax in the first quarter of 1976 consisted of £34m. of corporation, £11 overseas and £3m. on principal associated *companies, less a credit of £3m.* for investment grants.

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See Lex

British-Borneo advance

PROFITS before tax of **British-Borneo Petroleum Syndicate** increased from £595,166 to £659,394 *in the year ended March 31, 1976,* following the £457,111 against £337,887 for the first six months.

Stated earnings per 10p share have risen from 7p to 8.2p and a net final dividend of 3.632p makes a total of 5.489p compared with 5.042p previously.

Pre-tax profit consisted of dividends and interest on investments £459,361 (£474,827) and net profit on realisation of investments, short-term interest and other income £346,703 (£274,743) and was after administration expenses £53,954 (£56,097), interest on Eurocurrency loans £61,006 (£70,651) and exploration expenses £1,710 (£27,656).

After tax of £212,750 (£180,700) and tax on franked investment income, £108,983 (£100,544) net profits were £367,661 against £313,922.

Lon. Asiatic Rubber down £1.2m.

TURNOVER for 1975 of **London Asiatic Rubber and Produce Company** decreased from £15.52m. to £13.72m., and pre-tax profits fell from £6.11m. to £4.9m. after £1.94m., against £2.86m. in the first half.

Earnings are shown to be down from 8.47p to 6.61p per 10p share. The final dividend is 1.89568p net for a 2.29786p (2.10022p) total.

	1975 £	1974 £
Rubber turnover	6,017,700	7,403,940
Palm oil and kernels	7,700,861	8,118,905
Total	13,718,561	15,522,845
Profit	4,363,222	5,650,384
Rubber	1,294,567	1,704,909
Palm	3,069,661	3,945,775
Other income	538,533	460,079
Pre-tax profit	4,901,755	6,110,663
Malaysia and U.K. tax	2,599,485	3,161,278
Net profit	2,302,270	2,949,385
Interim dividend	139,981	131,172
Proposed final	639,801	399,821
Over-spill relief	40,923	40,923
To general reserve	1,455,254	2,132,842
Carried forward	326,086	235,929

LIT refused 'hammering' compensation

The Stock Exchange has refused to compensate **London Intercontinental Trust** for money lost following the hammering of Mitton Butler Priest in March 1974.

The company had applied for a payment of £175,455 out of a total gross debt of £209,955, but three weeks ago the Stock Exchange turned down the application. As a discretionary fund, LIT must abide by this decision; no reasons for the refusal have been given, although leave to appeal has been granted.

The recovery of this money is a pre-condition of LIT obtaining a requotation of its shares, which *have been suspended since the* hammering. In addition, the company does not anticipate that any distribution will be made by the liquidators of Mitton Butler in the immediate future. Mitton Butler were brokers to a £1m. public issue of LIT shares in 1972 and acted as investment managers.

LIT's pre-tax profits for the half-year to March 31 1976 were £431 (£2,188) and accumulated losses on parent company's investments amounted to £488,313 (£487,030).

Altifund pays more

ALTIFUND is raising the dividends on the Income and Capital shares from 6.33p to 6.75p and from 0.3165p to 0.3375p respectively, with finals of 4.75p and 0.2375p net.

Gross revenue for the year ended March 31, 1976 amounted to £293,693 compared with £287,265, while the net taxed figure came to £170,011 (£165,153).

	1975-76 £	1974-75 £
Gross revenue	293,693	287,265
Revenue before tax	263,369	261,930
Taxation	93,338	96,777
Net revenue	170,011	165,153
Dividends	167,400	156,984
Forward	35,242	32,231
Total assets	5,015,723	4,578,536

Net asset value per 50p income was 101.4p (101.3p), and 102.6p (115.7p) per 50p capital share.

ISSUE NEWS AND COMMENT

Newcastle Water £4m. pref. offer

Arrangements have been completed for an offer for sale by tender of £4m. of 8 per cent. Redeemable Preference Stock 1981 in **Newcastle and Gateshead Water Company** at a minimum price of £98 per cent.

The stock is payable as to £10 per £100 nominal not later than May 19, with the balance due on or before June 23. Tenders for the stock must be for a minimum of £100, and above that in multiples of £100.

Dividends on the stock will be paid half-yearly on January 2 and July 1 each year with the first payment covering the period from May 19 to December 31, 1976, of £4.23 per cent. net.

Brokers to the issue are Seymour Pierce and Company.

● comment

Compared with the last few *issues, the minimum tender price* on **Newcastle and Gateshead's** offer has been clipped a point to £98 per cent., where the grossed-up running and redemption yields are 12.35 and 12.86 per cent. respectively. This move in the price is a reflection of the underwriters' concern over any uneasi*ness* in sterling which could undermine the market between now and next Wednesday. So the brokers have pitched the offer price to give a little more flexibility should the market turn weak. Nevertheless, to buy a comparable stock in the market now, such as East Worcestershire, would cost £99½ per cent., and the size of this issue should encourage some institutions to take an interest which would normally leave the smaller offers alone. So without any market weakness over the next week, this offer should attract tenders pitched at over £99 per cent.

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Boddy quote next year

Boddy International is to seek a public quotation some time next year. The group operates two basic divisions; one in Sheffield responsible for fuel and waste disposal activities and the other in Carnforth responsible for limestone quarries concrete products and warehousing.

The group distributes coal, oil and bottled liquid gases, as well as operating two lubricant blending plants and handling industrial waste disposal. Boddy Industries has coal recovery plants in the U.K. *and an associate in Belgium* with a similar business, in which it has a 50 per cent. stake.

The group's quarries are located in Lancashire, Cumbria and Shropshire and the group operates a large warehouse complex in North Lancashire. Overall the group employs over 500 people, and has an annual turnover in excess of £14m.

Lazard Bros. and Co. are advising Boddy on the public quotation, having organised a private placing of Boddy shares in 1970.

T. CLARKE SCRIP

The directors of electrical contractors, **T. Clarke**, are proposing a two-for-five scrip issue. The annual meeting on June 4, will consider this proposal.

Unilever sales recovery

AFTER THE annual meeting of **Unilever** yesterday, chairman Mr. David Orr said sales this year had started well, recovering from the low levels last year. This had been general, he added. As well as recovery overseas Europe had also been doing better.

But with quarterly results due out early next week Mr. Orr declined to be more specific.

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Option fund launched by Tyndall

The Tyndall investment management group is to launch The American Stock Options Company. This is an open-ended, Bermuda-based investment company denominated in U.S. dollars. *For U.K. investors with* sterling, a feeder company based in Jersey will shortly be available which will seek a listing in London.

The U.S. brokers to the company are E. F. Hutton, the second largest U.S. brokers, and one of the leading firms operating in American-listed options. The U.K. brokers are Hedderwick Stirling Grumbar and Company.

The broad objective of the company is capital appreciation in U.S. securities markets commensurate with a conservative degree of risk. Options will only be used to further this objective. It is anticipated that approximately 75 per cent. of the assets will be held in blue chip U.S. stocks. Up to 25 per cent. will therefore be available for trading in options. However, a liquidity of 5 per cent. will always be maintained.

هكذا من الأصل

S. Pearson & Son

"I am pleased to report an encouraging improvement in the Group's 1975 profits..."

LORD COWDRAY'S STATEMENT TO SHAREHOLDERS

I am pleased to report an encouraging improvement in the Group's 1975 profits, although there is still a long way to go before we, like most British companies, recover the ground lost in real terms since 1973. We can nevertheless derive some satisfaction from the fact that all our principal companies have managed to cope well with the recession and most have maintained their investment programmes and controlled their cash very tightly, so that we are now ready and able to take advantage of any improvement in the British economy and in world trade.

Total profits for 1975 were £25,019,000 before tax (1974 £20,427,000). Attributable profits after deducting minority interests and pre-acquisition profits were £18,774,000 (1974 £14,288,000). Earnings were £8,306,000 (1974 £6,424,000) after tax of £10,468,000 (1974 £7,864,000). The taxation provision is at the high rate of 55·8 per cent of profits, due chiefly to losses, notably in an overseas associated company, for which tax relief can only be obtained against future profits of the activities concerned.

We are recommending a final dividend which will increase the total dividends for 1975 to the maximum permitted (5·54223p compared with 5·09122p for 1974).

Of the principal Group companies, Lazard Brothers substantially exceeded its 1974 profit, and although this owed a good deal to a recovery in the value of dealing investments, all the main sectors of the bank's business moved ahead strongly. Doulton achieved a notable improvement in profits and Pearson Longman, despite severe difficulties in its newspaper businesses, came nearer to its 1974 profit level than had seemed likely at the half year, thanks to excellent results from the three book companies, Longman, Penguin and Ladybird. In North America we decided to make two important new investments which we believe will have a major long term impact both on the direction of our activities there and on their profitability.

The national effort to reduce the rate of inflation at least to the general level of our competitors, and keep it down, must be sustained vigorously. While restrictions on pay and prices were necessary to cope with the inflation of 1975, the problem of working out more stable and lasting methods of dealing with these matters remains. More drastic action may also be required to reduce the enormous Government and payments deficits which have built up over the past five years. I do not believe that import controls would provide a remedy to the latter, and I welcome the Government's resistance to such measures. Certainly this company has based much of its development on the export of goods and services and would suffer severely from trade restraints. We are of course also much affected by the Government's industrial policies. Our managements have had to cope with such a huge increase in legislation and controls, and so many changes of policy, that the time and expense involved has diverted too much effort from productive operations. In addition, the public sector has loaded the rest of the economy with disproportionate cost increases. What would really help us would be action to restore confidence that the private sector will be allowed and encouraged to earn a reasonable return on its investments and thus permit the improvement of the country's productivity and performance.

Having referred particularly to the burdens now placed on our managers, I should like to pay special tribute to their loyalty and resilience. I hope that they may soon be permitted to benefit from the results of their efforts.

My thanks also go to employees throughout the Group who, in whatever capacity, have contributed towards the progress made in 1975 and upon whom our success in the future depends. We are developing our methods of involving employees more fully in discussing the problems and policies of the companies where they work and I am sure this will benefit the Group.

I am reluctant, as in my previous annual statements to you, to attempt a forecast of the current year's results. I can however report that the Group has made an encouraging start in 1976.

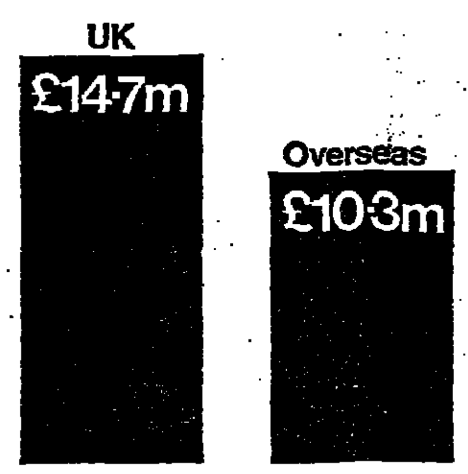
It was with great regret that we had to announce at the end of last October that owing to ill health Lord Poole had relinquished his position as the Group's Chief Executive and his directorships of the Group's subsidiaries. My colleagues have asked me to express their great appreciation for all his past services and I would like to express my own deep gratitude for his unswerving loyalty and dedication ever since he joined the Group in 1948. It is no exaggeration to say that he has been the principal architect of our expansion over the last 25 years. Subject to approval by the shareholders, it is proposed that our subsidiary Whitehall Securities Corporation should make a substantial payment to Lord Poole as compensation for the termination of the holding of his office on account of disability.

Lord Gibson has assumed the duties of Executive Deputy Chairman, and Mr. J. P. Medd, Chairman and Managing Director of Doulton & Co., has joined the board. The Hon. M. J. Hare has also taken up full time executive duties at the Group's Head Office.

The Year's Results

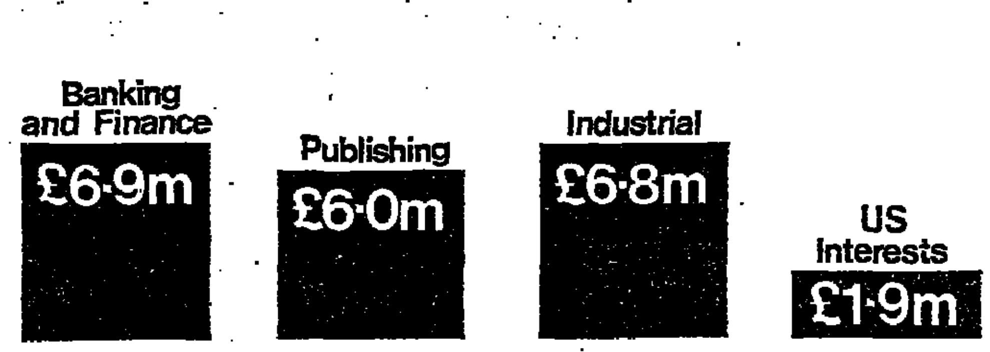
Group profit before taxation	£25,019,000
Less minority interests and pre-acquisition profits	6,245,000
Attributable profit before taxation	18,774,000
Less taxation	10,468,000
Net surplus including £3,658,000 extraordinary items	11,964,000
Preference dividend	17,000
Ordinary dividend	3,777,000
Surplus retained including £3,040,000 to capital reserve	£8,170,000

Pre-Tax Profits UK and Overseas*



*Before deducting minority interests.

Pre-Tax Profits from principal activities*



*After deducting minority interests but before Head Office charges.

Group Interests

The Pearson organisation comprises four main divisions employing about thirty thousand people with capital employed in excess of £200m.

BANKING AND FINANCE **Lazard Brothers & Co., Bain Dawes.**

PUBLISHING **Pearson Longman Group: Financial Times, Westminster Press, Longman, Penguin, Viking Penguin, Ladybird.**

INDUSTRIAL ***Doulton Group: Royal Doulton Tableware, Doulton Engineering, Doulton Glass Industries.***

OVERSEAS INTERESTS **Ashland Oil (U.S.A.), Camco (U.S.A.), Château Latour (France).**

These are some of the products and services of Pearson.

S. Pearson & Son, Limited

Millbank Tower, Millbank, London, SW1P 4QZ

Copies of the Report and Accounts may be obtained from Lloyds Bank Registrar's Department, Goring-by-Sea, Worthing, West Sussex, BN12 6DA.

Allied Irish Banks up £1.4m. at £16.4m.

AFTER A special provision against advances of £4m, against £1.4m., pre-tax profits of Dublin-based Allied Irish Banks rose from £15.01m. to £16.4m. in the year *to March 31, 1976. At halfway* the increase was from £6.71m. to £7.75m.

Tax, minorities, and extraordinary debits, less a transfer *from share premium account* in respect of Loan stock issue expenses, leave the attributable balance up from £7.54m. to £8.8m.

Basic earnings are shown to be up from 17.8p to 19.9p and fully diluted to 18.1p. The final dividend is 4.52p gross per 25p share for a 6.895p, against 6.25p, total.

Total year-end group assets of £1.48bn., compared with £1.22bn., include current, deposit and other accounts of £1.37bn. (£1.14bn.). Advances to customers and other accounts less provisions came to £588.77m., against £499.67m.

	1975-76 £000	1974-75 £000
Group profit	20,398	16,405
Parent	16,019	13,314
Subs. and assocs.	4,379	3,094
Provision advances	4,000	1,409
Profit before taxation	**16,398**	**15,006**
Taxation	7,538	7,121
Minorities	15	11
Extraordinary debits	259	37
From share premium	144	—
Attributable to holders	8,790	7,539
To capital reserves	—	214
Dividends	1,955	1,592
Retained	6,835	5,823

Aquascutum sales ahead so far

IN THE current year to date turnover of Aquascutum and Associated Companies is up, but with inflation still running well ahead of other countries, the chairman Mr. G. M. Abrahams says that it is impossible to forecast the trend of the economy which has such an important bearing on home trade and the margins that can be achieved.

However, the strength of the group is in selling its products in the key international markets and since there are the resources, the management and drive to seek out and take advantage of every *opportunity to expand*, the chairman continues to be confident of the future.

Earnings before tax increased from £1.08m. to £1.19m. in the year ended January 31, 1976. The chairman says that the success of the Aquascutum and Rodex products abroad provided the main part of the group's earnings and made it possible to show continued progress despite the combination of inflation and recession which has so severely hit the clothing industry here.

Cash flow has improved during the year and bank overdrafts have fallen for the third successive year. Year-end group overdrafts stood at £669,000 (£774,000).

Meeting, 100, Regent Street, W, June 3 at 12.30 p.m.

C. Walker exceeds forecast

AFTER BANK and other interest charges down from £100,885 to £44,137, taxable profit of C. and W. Walker Holdings, gas, chemical and construction engineers, more than doubled from £163,508 to £367,092 in the year to January 31, 1976.

This is in excess of the £270,000 *forecast* by the directors when reporting first half profits up from £60,000 to £135,000.

They also predicted the maximum permitted dividend, which turns out to be 2.68125p net (2.55p), with a final of 1.8125p. Stated earnings per 25p share are 19.2p (9.6p).

The directors report that direct and indirect exports have improved and now approach 30 per cent. of total sales—a "further improvement" in 1976 profits is expected.

	1975-76 £	1974-75 £
Turnover	4,540,528	3,276,412
Interest charges	44,137	100,885
Profit before tax	**367,092**	**163,508**
Tax	199,500	78,500
Available	167,592	85,008
Dividends	25,806	21,321

Turnover for the year increased *from £3.36m. to £4.36m.* Tax absorbs £199,500 (£78,500), leaving £167,592 (£85,008) available for appropriation.

Chas. Hill turns in £381,755

SECOND-HALF profits of Charles Hill of Bristol increased to £234,755, bringing the total for the year 1975 up to £381,755, compared with a loss of £153,755 for the previous year.

Earnings per £1 share are stated at 20.5p (14.4p loss) before extraordinary items and at 0.16p *(14.4p loss) after those items.* The dividend is restored to 4p net, with a final of 2p. In 1974 it was cut from 4.11p to 2.6p.

	1975 £	1974 £
Turnover	12,894,155	11,953,331
Interest	37,672	83,749
Share associates	19,663	19,161
Pre-tax profit	381,755	*153,755
Taxation	98,515	†31,954
Extraord. debits	[illegible]	—
Minorities	29,094	34,299
Attributable	290,480	*136,009

* Loss. † Credit.

Exceptional start for Utd. Biscuits

At the AGM of United Biscuits, Mr. Hector Laing, the chairman, said that 1976 had started exceptionally well and the first quarter's profit was substantially higher.

A significant sales volume increase in the U.K. was partly due to downstocking by the retail trade last year. Trading in the U.S. was also buoyant, with considerable volume increases. Losses in Spain had been reduced significantly.

Higher costs may cause increased prices later in the year, but Mr. Laing was confident of a very satisfactory year's trading.

Tozer Kemsley confident

ALTHOUGH MINDFUL of many problems ahead, Mr. K. A. Thorogood, chairman of Tozer Kemsley and Millbourn (Holdings), believes that the group is poised for a successful 1976 and, "indeed, for a bright future." The first quarter has produced "outstandingly good" results, he reports.

As reported April 28 group pre-tax profit increased from £2.92m. to £3.47m. in the year 1975. An analysis of turnover—£632m.—and operating profit—£4.06m.—shows (£000's omitted)—financial international trade £374 and £823; property management and finance £2,000 and £1,024; forest products agencies £172,000 and £765; merchant banking hire purchase £9,000 and £372; automotive concessions £42,000 and £1,459; associates and other activities £58,000 and £12 loss; less central costs £365.

Geographically turnover was split as to (in per cent.)—EEC 37.1; Australasia 17.9; North America 13.8; South and Central America 13.3; other areas including non-EEC Europe 9.2; Africa and Middle East 8.7.

In the year extraordinary losses were incurred from the planned disposal of certain investments, the future of which had become questionable.

There was a net increase in short-term borrowings of £10.15m. (£30.99m.). Loans and overdrafts at the year end stood at £51.01m. (£30.38m.).

The market value of group properties is estimated to be £3m. over book value.

Statement, Page 26

Jefferson Smurfit pays more

A final dividend of 7p by Jefferson Smurfit, the Dublin-based packaging, printing and distribution group, raises the total from 10p to 11p gross for the year ended January 31, 1976. In addition a one-for-three scrip issue is proposed.

The audited accounts for 1975-1976—showing pre-tax profits of £8.04m. against £8.07m.—are in line with the preliminary results issued in February with the exception of the tax charge which is reduced by £0.5m. This reflects subsequent legislation and additional reliefs.

Chairman Mr. J. J. Smurfit reports that the current year has started reasonably well—both sales and profits are considerably better than during the same early period of 1975.

Time Industries' net tax profits for the first quarter show an increase of 71 per cent. over 1975; Nigeria is well ahead for the first quarter and the rest of the year looks very promising there. The final group outcome should be a most successful year, the chairman says.

DORADA RISE

Mr. Thomas Kenny, chairman of Dorada Holdings, told the AGM that group profitability for the first quarter year was "handsomely ahead" of the same period last year.

"We set targets in excess of the profit for 1975, and we are ahead of those."

Market outlook at Coates

The home market outlook for 1976 at Coates Brothers and Company *is much better than a year* ago, states Mr. J. B. M. Coates, chairman. In addition prospects have been enhanced by several technological improvements.

In overseas territories the prospects vary considerably, but overall he sees some improvement in aggregate profitability, although less marked than in the home market.

Overseas policy now is to consider each territory as an entity in itself and to limit investment to that which can be financed locally or by borrowing from internal sources. Mr. Coates says this will ultimately curtail expansion in many areas without Government support.

At home, the investment policy for 1976 is directed to improving plant, machinery and equipment, and making the minimum commitment for building extensions. With the improvement in liquidity, the directors intend to increase investment commitments, more particularly in the U.K. during 1976 and the first part of 1977.

As known, turnover for 1975 was up from £53.32m. to £55.98m. and pre-tax profit was £6.3m., compared with £9.99m.. Dividends are up from 1.7732p to 1.89229p net.

Mr. Coates explains that the steep fall in demand occasioned by destocking was exhausted progressively from July onwards, but orders in the home market were still erratic until the turn of the year when a more consistent pattern of demand established itself.

Export demand has been better, especially in the resin division, but even at the end of the year demand from the overseas companies was still weak, partly as a result of destocking and partly due to varying local circumstances.

The accounts show an amount of £13,000 paid as compensation to a director for loss of office.

The company makes printing inks and supplies for the printing industry, and synthetic resins and other industrial surface coatings.

Meeting, Easton Street, W.C., June 4, 2 p.m.

The chairman, Mr. F. B. Thompson, says that while newsprint, *wages and* all *other costs* continued to rise during the year, the demand for advertising space—particularly for situations vacant—dropped by approximately *20 per cent., price of the* group's newspapers and advertisement rates were raised but these increases were insufficient to maintain the 1974 profit figure.

The effect of a substantial advertisement rate increase in the last few days of the year will be felt during 1976, he says.

To-day's Company Meetings

Barton and Sons, Sutton Coldfield, 12.30. Bibby (J.), Liverpool 3. Brittains, Stoke-on-Trent, 3. Gardner (L.), Manchester, 2.30. Gibbons Dudley, Birmingham, 12.15. Glenlivet Distillers, Edinburgh, 12. Greenbank Trust, Liverpool, 3. Harris and Sheldon, Meriden, Warwickshire, 3. Johnson Group Cleaners, Bootle, Merseyside, 2. Molins, 2, Evelyn *Street, S.E., 11. Royal Insurance,* Liverpool, 12. Shell Transport, Shell Centre, S.E., 11. Spong and Co., Basildon, 11.30. Williams and James, Gloucester, 12. Wimpey (George), Royal Garden Hotel, W., 12.

Second half loss at MacLellan

After a drop in pre-tax profits from £125,727 to £81,950 in the first six months, a second half loss at P. and W. MacLellan has left *the 1975 surplus down from* £207,805 to £68,157.

Profits were struck after depreciation of £77,125 against £70,170 but before non-recurring costs of £16,803.

There is no tax charge but a sum of £18,747 (£29,648) has been transferred to deferred tax leaving net profits of £32,608 (£178,157).

The dividend total is held at 1.3p net per 20p share with an unchanged final of 0.8p.

The group operates as engineers, iron and steel merchants, and paint manufacturers.

Investors Capital

Under arrangements for a reciprocal sterling/dollar loan Investors Capital Trust has borrowed $U.S.10m. from a major U.S. company for an eight-year period and has lent about £5.3m. to the company for the same period.

The loan will enable the trust to manage more flexibly its large portfolio of overseas securities, say the directors. A further result is that the trust has been able to reduce the extent of its investment in the dollar premium, they add.

At April 30, assets exceeded £60m. and about £40m. was invested overseas.

The interim dividend is lifted from 0.5p to 0.55p net per 25p share. The interim report will be issued on June 24.

Aberthaw Cement

Deliveries of cement from Aberthaw and Bristol Channel Portland Cement Company *for* 1976 should slightly exceed these of last year, states the chairman Sir Maynard Jenour.

First quarter deliveries are *similar to those of* 1975 but there are a number of new sections to the M4 in South Wales all of which are being supplied with cement by the company.

With the commissioning of new extensions, spare capacity now exists and the opportunity is being taken to carry out a major overhaul of certain other plant, with a view to improving output and fuel consumption. On completion of this work, the company will be operating more efficiently and will be able to take advantage of any upturn in demand *if it comes, says* Sir Maynard.

As reported on April 9, pre-tax profits jumped from £1.09m. to £1.64m. in 1975. The dividend is *3.5p (3p)* net.

Inflation adjusted accounts show pre-tax profits of £915,000, against £602,000, on a current cost basis. Earnings are shown at *11.48p (7.1p)* compared with 20.4p (13.06p) historical. Associated Portland Cement held 26 per cent. of the equity on April 10. Meeting, Cardiff on June 4 at 12.30pm.

F. Hewitt downturn

Newspaper proprietors, F. Hewitt and Son (1927) reports profits down from £1.72m. to *£1.57m. in 1975 on turnover of* £6.07m. against £5.42m.

Tax takes £843,365 (£916,271) and dividends absorb £770,475 (£800,475). The ultimate holding *company* is the *Daily Mail* and General Trust.

Encouraging start by S. Pearson

AN ENCOURAGING start has been made to the current year by S. Pearson and Son, and the group is now in a position to take advantage of any improvement in the British economy and in world trade, states chairman Viscount Cowdray.

Referring to 1975—when pre-tax profits recovered from £20.43m. to £25.02m.—he says that the profit increase was encouraging but feels that the group has a long way to go before it recovers the ground lost in real terms since 1973. All the principal companies have coped well with the recession and most have maintained their investment programmes and controlled their cash very tightly.

In North America the group made two important new investments—in Viking Penguin and Camco. The chairman believes that these will have a major long-term impact both on the direction of activities there and on their profitability.

On the subject of import controls Lord Cowdray says he welcomes the Government's resistance to such measures. "Certainly this company has based much of its development on the export of goods and services and would suffer severely from trade restraints."

In their review the directors, referring to Lazard Brothers and Co., report that in 1975 it has been possible to write back substantial provisions on dealing investments made in previous years. The banking division increased its business despite slack demand for loans, particularly from U.K. clients.

The quality of the loan portfolio, including loans to Scandinavian shipping clients, has enabled the bank to avoid most of the problems which have recently affected the banking world. Deposit and foreign exchange dealings continue to be active and profitable, the directors state. The current year has made a "promising start" and activity has spread throughout all departments of the bank.

At December 31 the subsidiaries of the S. Pearson group had commitments for fixed assets and investments amounting to £10.09m. of which £6.08m. was already under contract and £4.01m. authorised but not yet contracted.

Deposits and bank balances at the year end showed a fall from £11.93m. to £9.26m., while bank loans and overdrafts were reduced from £33.25m. to £28.21m.

The subsidiary Whitehall Securities Corporation proposes to make a payment of £50,000 to Lord Poole as compensation for the termination of the holding of the office of group chief executive on account of disability.

The largest holdings of Ordinary shares at April 15 were those of the Dickinson Trust with 17.3 per cent. and the Cowdray Trust with 15.3 per cent.

Meeting Millbank Tower, SW, June 4 at noon.

Chairman's statement, Page 23

Pearson Longman outlook

LORD GIBSON, chairman of Pearson Longman, reports that the group has made a "fair start" to the current year.

The results from the newspaper companies are still inadequate but there have been some signs of recovery in advertising. The book publishing businesses remain buoyant and given reasonably stable conditions in their markets overseas they should have a good year, the chairman states.

In 1975, group pre-tax profits were lower at £9.89m. compared with £11.51m., on a turnover of £108.65m. (£92.79m.). The chairman explains that the book companies had a record year, while newspaper companies and most of the associates suffered from a lower volume of advertising and from higher costs which could not be wholly offset by the raising of advertising rates and selling prices.

Referring to the Financial Times' proposed development plan, the chairman says that since other newspapers have followed suit, negotiations of the FT plan have been delayed by discussions on a national basis. He feels it is important that the FT resumes very soon detailed discussions on its own scheme so that action to implement it can proceed.

Although the "calamitous fall" in profits from local newspapers over the past two years has meant that funds for capital investment have been scarce it is intended to move ahead steadily with a long-term programme of modernisation so that advantage can be taken of a future upturn.

On the subject of the freedom of the Press the chairman stresses that this can only be guaranteed by the existence of a diversity of newspapers and the independence and authority of individual editors. He stresses that "Charter or no Charter" the group is determined to maintain a policy of editors having full authority over the contents of the newspapers for which they are responsible.

In their review the directors state that the Financial Times group's profit reduction was caused partly by a lower contribution from some of its associates and more seriously from a sharp profit decline in the newspaper itself where the figure was only £745,000, the lowest for some years.

This was due to a shortfall in advertising revenue and some loss of circulation coupled with sharply higher costs, particularly from the public sector.

The results of Westminster Press were adversely affected by a general trade recession and the continuing increase in costs which higher revenues could not match. In addition there was a loss of £¼m. of revenue from an industrial dispute and an exceptional loss from a new venture at Beck and Partridge. Here, a special provision of £300,000 was required to cover possible losses from a new venture in transfer printing for textiles.

In the Arab world Longman strengthened its already excellent trading position despite the serious situation in the Lebanon which had only a marginal effect on sales. Although there will be some shortfall there in 1976 Longman expect this to be more than compensated by a better performance elsewhere in the Arab world —especially in Egypt.

European sales showed only modest growth but they should accelerate in 1976 and succeeding years.

Meeting of the company—a 63.56 per cent. owned subsidiary of S. Pearson and Son—is at Millbank Tower, S.W., June 4, at 11.30 a.m.

Chairman's statement, Page 27

CES strong and optimistic

IN HIS annual statement, the chairman of Combined English Stores Group, Mr. Murray Gordon, tells holders that conditions are likely to remain difficult for some months to come, but he is optimistic that there will then be an improvement and that by Christmas, the most important time for most of the group, the improvement will be considerable.

For the longer-term, Mr. Gordon believes that CES operates in the most attractive sector of the retail trade, and he is confident that the group will continue to grow and prosper.

The accounts show that the group is in a strong financial position and held over £5m. in cash at the end of its year.

As reported on April 1, pre-tax profits rose from £3.5m. to a record £4.35m. in the year to January 31, on sales of £51.49m. against £45.8m. The final dividend is 1.389p per 12½p share, making 2.639p against 2.473137p net.

In the course of the year £2.01m. was spent on additions to fixed assets mainly representing the cost of leasehold premises and fixtures and fittings for new units for ladies' fashion accessories and menswear divisions.

Salisbury's — handbags and fashion accessories — produced record sales and profits. A further 13 shops were added to the chain, making 114.

Collingwood the County Jewellers had a good year, adding seven shops to the chain. Harry Fenton produced a highly satisfactory profit in a difficult year for the men's wear trade. A further 15 shops were opened, to bring the total to 167 units.

Since the report was prepared, CES has announced that Mr. R. W. Rowland and Mr. F. A. Butcher of Lonrho have joined the Board, with Mr. Rowland becoming deputy chairman, following the purchase by Lonrho of 800,000 shares from Mr. Gordon's own holding. Mr. Gordon retains 860,000 CES shares.

The accounts show that the chairman and two other directors waived emoluments totalling £28,705.

Meeting, the Dorchester, W., on June 9 at noon.

John Foster in profit

SPINNERS and weavers John Foster and Son has recovered from a first-half loss of £275,362 and finished the year to February 27, 1976 with pre-tax profits of £93,636 compared with £493,572 previously. Turnover amounted to £9.7m. against £11.92m.

In their interim report, the directors said the loss (against £247,007 profit) reflected a downturn in activity and acute pressure on margins. They anticipated that second half results would show an improvement on the first six months and produce a modest profit.

Stated earnings per 25p share are 0.6p (3.6p). The dividend is a single 0.8125p—there was no interim. The previous total was 2.8687p and included a final of 2.03125p.

The year's figures include depreciation allowance of £241,748 (£202,620).

	Year 1975-76 £	Year 1974-75 £
Turnover	9,710,348	11,915,059
Associate profit	5,405	14,710
Profit before tax	93,636	493,572
Tax	92,827	229,215
Minorities	37,453	44,057
Extraord. debits	9,475	—
Attributable	43,257	217,441

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. P or Amount	Times covered	Gross Yield	P.E. Ratio
—	F.P.	—	£25¾	£21⅝	Berry Pacific Pd. US$1	£25¾	+¾	40c	—	3.3	—
10,500	F.P.	—	$10,800	$9,500	Brasilvest S.A.	$9,500	—	—	—	—	—
—	F.P.	—	£17⅛	£14½	IC. Inds.	£17⅝	+⅛	$1.50	—	4.6	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
S$100	F.P.	—	$100	$100	Barclays Bk Intl. 9½% Cap. Notes 1985	$100	.....
115p	Nil	18/6	7½	3	Bowring (C.T.) 10% Conv. 1987	6pm	−½
£99¼	£10	4/6	10½	10	Chester Water 8% Red. Pref. 1981	10½pm	.....
£98¾	£10	11/6	10¾	10	East Worcs. Water 8% Red. Pref. 1981	10pm	.....
$100	F.P.	—	99¼	96½	IAC 9½% Notes 1981	$97½	.....
S$100	Nil	—	$99¼	$99¼	Lloyds Eurofinance Guar. Fl'ting N'ts 1985	$99¼	.....
S$100	Nil	—	101	100	Royal Bank of Scotland Floating Rate 1985	$101	.....
S$100	F.P.	—	100½	100	Sandvik 9½% Bonds 1986	$100	.....
£100	£50	8/7	74	60	Scot. Met. 9% Conv. '92/6	67	+1
£98	F.P.	14/5	99⅞	99¼	Sutton Dist. Water 8% Prf. 1981	99½	.....

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	1976 High	1976 Low	Stock	Closing Price p	+ or −
87	F.P.	30/4	28/5	123	103	BICC	122	−1
50	Nil	—	—	40	33	Bank of Ireland	39pm	.....
70	Nil	—	—	35	26	Boddingtons	33pm	.....
13	Nil	28/5	11/6	4¾	3¼	Boulton Wm.	4pm	.....
55	Nil	18/5	16/6	17	8	Bowring (C. T.)	14½pm	−½
20	Nil	19/5	9/6	76	67	Brent Chemicals	73pm	−1
29	F.P.	18/3	15/4	35½	31	Concentric	31	.....
30	F.P.	9/4	21/5	251	214	De La Rue	248	.....
30	F.P.	20/4	11/6	95	56	Dew (G.)	93	.....
50	F.P.	5/4	14/5	60½	53	Diploma Invs.	60½	.....
30	Nil	19/5	9/6	20	15	Elliott (B)	18pm	.....
56	F.P.	7/5	18/6	50	44	Eva Inds.	46	.....
3	Nil	17/5	11/6	13	6	Garnar Scotblair	8pm	.....
	Nil	21/5	18/6	26½	22	Glynwed	22pm	.....
6	Nil	14/5	11/6	38	35	Greene King	38pm	.....
5	Nil	27/6	2/7	115	98	Heath (C.E.)	108pm	−4
5	F.P.	14/4	12/5	65	61	Jacob (W. & R.)	63	.....
7½	Nil	—	—	18	15	Lesney Products	16pm	−1
7	F.P.	3/3	20/7	71½	64	Lloyd (F.H.)	70	−1
8	Nil	—	—	26	23½	Lucas Inds.	23½pm	−2
5	F.P.	3/5	9/6	118	105½	Lyons (J.) 'A'	107	.....
0	F.P.	21/4	19/5	96	89	Parker Timber	94	+2
5	F.P.	9/4	14/5	18½	17	Raine Engineering	17½	−½
5	Nil	22/4	3/6	61	49½	Rolls-Royce Motors	60	.....
5	F.P.	4/5	1/6	155	144	Rotork	145	−1
0	Nil	—	—	92	58	Selection Trust	60pm	−5
0	F.P.	7/5	28/5	16	12½	Southern Construction	12½	.....
8	F.P.	15/4	28/5	54½	47	Staflex Int.	50	−1½
4	F.P.	24/2	25/5	114	82½	Stenhouse Hldgs.	112	−2
0	F.P.	6/5	26/5	290	277	Taylor Woodrow	286	−2
5	Nil	—	—	11	6	Trimentrol	6pm	−1½
2	F.P.	17/3	14/4	64	57	Triplex Foundries	58	.....
5	F.P.	23/4	8/6	97½	92½	Trust Houses Forte	93½	−½
0	F.P.	15/5	11/6	165	140	Turner & Newall	145	−2
5	F.P.	18/3	12/5	56½	47	Ward (T. W.)	53	.....
10	Nil	18/6	—	51	35	Western Mining	51pm	+4
5	Nil	12/5	18/6	272	205	Weyburn Eng.	267pm	−5
3	F.P.	19/3	30/4	14	12	Wheway Watson	11¼	.....
	F.P.	—	—	61	57	Woodside Burmah	64	+2
	F.P.	15/4	14/5	91	75½	Youghal Carpets	86	.....

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. *u* Forecast dividend: cover based on previous year's earnings. *M* Figures based on prospectus or other official estimate for 1976. Figures assumed. † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. Offered to holders of Ordinary shares as a "rights." ♥ 250 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ≤ With warrants

BIDS AND DEALS

Bolands urged to accept

Barrow Milling has written to shareholders of Bolands urging them to accept a new increased offer of three Barrow Ordinary plus 104p cash for every eight Bolands Ordinary: *The cash offer* is extended to May 25—otherwise it is unchanged.

Barrow forecasts pre-tax trading profit for the year to May 31, 1976, not less than £280,000 exclusive of dividend of £13,000 due from its Bolands shareholding.

BRITISH INDIAN TEA

Jorehaut Holdings, a subsidiary of Camellia Investments, has acquired 37,725 Ordinary shares in British Indian Tea representing 22 per cent. of the capital. This purchase, together with an indirect interest held through a 32 per cent. holding in Jokai Tea, gives Jorehaut a 32 per cent. stake in BIT.

Walter Duncan and Goodricke, indirectly (also through Jokai Tea) and directly holds over 20 per cent. of BIT. Camellia is currently seeking advice on whether it is obliged to bid for BIT.

ICH ARRANGEMENT

International Computers (Holdings) has formally entered into the arrangement, first announced on March 22, under which ICH and Control Data, a subsidiary of Control Data Corporation of America, set up a joint company.

Under the terms of the deal, certain business products operations of Control Data and Dataset (a subsidiary of ICH) will be transferred into a new company called Control Dataset. Control Data and ICH will own 75 per cent. and 25 per cent. respectively of the new company, whose initial asset value will be *around £2.5m.*

LYONS SELLS STAKE IN FOX'S BISCUITS

J. Lyons has sold its 25 per cent. stake in Fox's Biscuits to Northern Foods. The stake of 310,500 shares, which J. Lyons has held for a number of years, *changed hands recently at the* then market price of 123p. Fox's share price has been strong performer this year rising from a low of 60p to 150p, up 5p, last night.

The chairman of Fox's Biscuits, Mr. S. C. Oldham said yesterday that his company had been "entirely remote from these *negotiations.*" *A director of* Northern Foods, Mr. J. R. Clayton, explained that there was no intention to make a full scale bid and the deal was "one of those opportunities that come along in an allied trading area."

ARTAGEN PROPS.

Following the formal offer from *Sun Life, shareholders of Artagen Properties* are advised by their Board to reject the bid. A letter setting out detailed arguments will be posted shortly.

WILLIAM REED

Acceptances received by Birmingham and Midland Counties Trust in respect of its offer for William Reed amounted to 223,410 (9.30 per cent.), which together with the 1,007,000 shares already held gives BMCT control of 51.26 per cent. of the capital.

The offer is, therefore, unconditional, and remains open until May 28.

EDINBURGH IND.

Edinburgh Industrial Holdings has sold two subsidiaries, W. H. Shaw and Aspley Saw Mills, for £591,070. This consists of £373,404 cash and repayment of loan accounts totalling £217,666. The majority of the proceeds will be used to reduce bank borrowings. Net assets of the two companies involved were £375,989 and pre-tax losses for the year to November 1, 1975, were £23,721.

ALLTHREAD

Trefilarbed, which groups the wire-drawing activities of the Luxembourg steel company Arbed, has taken a 51 per cent. stake in the British distributor of industrial fasteners, the Allthread Group of High Wycombe.

The British company has now reached the stage when it cannot sustain the pace of expansion without additional resources.

FERRY PICKERING

The Ferry Pickering Group announces that acceptances have been received in respect of £19,200 Preference shares in Ferry Pickering Boxes (76.8 per cent.) and £20,134 Preference shares in W. Pickering (75.1 per cent.).

Both offers remain open until May 24, each offer is conditional upon 90 per cent. acceptances otherwise both offers will lapse.

MINING NEWS

Anglo hopes to revive Tenke Fungurume

BY KENNETH MARSTON, MINING EDITOR

PLANS are being studied which might enable the big Tenke Fungurume copper project in Zaire to be brought to production, although *on a somewhat* smaller scale initially than had been envisaged. Disclosing this in his annual statement to shareholders of Anglo American Corporation, Mr. Harry Oppenheimer reckons that it will be some months before definite conclusions can be reached.

The $660m. (£360m.) venture is still regarded as "probably the most attractive undeveloped copper orebody known at present." It was suspended in January as a result of financing problems arising from low copper prices, the Angolan war, inflated costs and Zaire's financial crisis. At the time some $200m. had been spent on the venture whose partners include the Anglo American group and Charter Consolidated, each with a 14 per cent. stake.

Commenting on the 30 per cent. recovery that has taken place in the London price of copper over the past three months Mr. Oppenheimer says that the price must rise "a great deal more" before it reaches a level at which new mines can be successfully opened and adequate future supplies can be assured.

He retains his confidence in the *long-term outlook for gold* and points out that the group is spending some R700m. (£438m.) on the *expansion of its South African gold* and uranium operations. As far as the group's industrial interests are concerned, all *have raised earnings* in the past year and have gone ahead with expansion plans "that will be of major significance for the future."

The expected upswing in the South African economy is "still not under way," but the recovery in base metal prices has begun. Mr. Oppenheimer makes no forecasts, but it seems reasonable to expect a further rise in Anglo's earnings this year, despite the likelihood of a smaller contribution from gold. Inevitably, however, the course of the share price is likely to be influenced by African political considerations and Mr. Oppenheimer's views on the latter are reported on page 8.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Davenports Brewery, Lloyds and Scottish, Midland Industries, National Bank of Australasia, Northern American Trust, Scottish Investment Trust, Serck, White Drummond, John Williams of Cardiff.

Finals—Atlas Electric and General Trust, Booth (International Holdings), English and Caledonian Investment, F.P.A. Construction, W. G. Frith, Frank G. Gates, Bead Wrighton, King and Shaxson, Pyramid Group (Publishers), Rowton Hotels, Royal Sovereign, Trust Union.

FUTURE DATES

Interims—	
Gomme Holdings	May 25
McCorquodale	June 7
Yorkshire and Lancashire Investment Trust	May 20
Finals—	
Erode	June 1
Furness Withy	May 13
Leisure Caravan Parks	May 20
Peerage of Birmingham	May 19
Plantation Holdings	May 19
Scottish Heritable Trust	May 14
Sumner (Francis) Engineering	May 20

SOARING COSTS IN AUSTRALIA

The Australian Mining Industry Council executive director, Mr. Paul Phillips, says that the projected cost of the 40 largest planned Australian mining projects has jumped from $8bn. (£5.4bn.) to about $15bn. (£10.2 bn.) since December 1974.

He blames inflation for the increase and also the former Labor Government's mining policies. *Because of the increased costs,* several projects have been reassessed at a larger scale to make them economic, but if they are to go ahead the Government will have to consider incentives for local capital accumulation to meet Australian equity requirements, he says, and adds that Australia can not afford to push out foreign investors.

Saying that the Australian dollar is overvalued from the mining industry's point of view, Mr. Phillips suggests a dual exchange rate with one for capital movements and another for current account transactions.

Messina is recovering

THE SOUTH African and Rhodesian copper and industrial group, Messina (Transvaal) is *lifting its interim for the year to* September 30 to 20 cents (12.5p) from 15 cents. The total distribution for the previous financial year was a reduced 35 cents.

Bearing out the chairman's forecast made in January, net profits for the past six months have increased to R6m. (£3.8m.), or 34.6 cents per share, from R2.7m. in the same period of 1974-75 when the total amounted to R7.45m.

The company states that if the present improved level of copper prices is maintained in the current half-year a further increase in profits can be expected. The shares were 290p yesterday.

AMAX ON THE RISING TRAIL

The chairman of America's Amax mining giant (in which London's Selection Trust has an 8.37 per cent. stake) Mr. Ian *MacGregor, says that 1976* "should be a good year and, if the economic forecasts are valid, next year should be even better." He feels, in fact, that 1977 could be the best year in the company's history, surpassing the record earnings achieved in the base-metal price boom year of 1974.

In these days of soaring capital costs which pose a major problem for the financing of new mining operations, most of the Amax operating assets are relatively new. "From 1966 to 1973 the net value of our property, plant and equipment rose from $178m. to $1.47bn. (£800m.), approximately 60 per cent. of which has been put in place during the past three years."

Mr. MacGregor takes the view that massive government spending contributes to high inflation, depression of the economy and unemployment. "New and better incentives are needed so that the bright young people of to-day may have the same opportunity as their parents to work and create new jobs by producing more for the benefit of all Americans." Perhaps, as a Scotsman, he is also thinking of his fellow Britons.

BHP joins the Peabody bidders

IT IS NOW well over a year since America's Kennecott Copper was ordered by the U.S. Federal Trade Commission to divest itself of Peabody Coal. Last December it was reported that Kennecott had entered into a conditional letter of intent for the sale of Peabody but to whom was never stated and nothing has been heard since.

Now comes news that Australia's Broken Hill Proprietary has entered the battle for the ownership of Peabody by joining a consortium put together by America's Newmont Mining which is to bid for the company. A spokesman for BHP is reported to have said that his company is interested in all or some of Peabody's Australian coal interests in Queensland, notably the large Nebo coking coal project.

The Nebo project is being developed by a consortium consisting of Peabody with 58 per cent., Australia's Thiess Holdings with *22 per cent. and Japan's Mitsui* with the remaining 20 per cent.

Thiess has already joined the battle for Peabody by entering last September into a consortium of 13 U.S. utilities in bidding for the company. The Thiess-Peabody-Mitsui partnership is already a major exporter of coal to Japan and holds contracts for 73.9m. tonnes for the Nebo project when it comes into operation.

The Australian Government said recently that the project would be allowed to proceed when Australian equity holdings therein reached 55 per cent. In Sydney, a spokesman for CSR said that his company was also interested in TPM's coal assets but could not say how far this had been taken.

ROUND-UP

The president of the Belgian Industrial Diamond Association says that South Korea and Taiwan are fast growing markets for industrial diamonds. South Korea has the potential of becoming a diamond centre in South East Asia, he says, having imported $US2m. (£1.1m.) of diamond jewels in the first quarter of this year against $5m. for the whole of 1975.

* * *

A *Japanese feasibility study on* the development of the Moniwa copper mines in Burma has confirmed the existence of about 60m. tonnes of ore with a grade of 0.8 per cent. copper. Japan is reported to be showing interest in importing the ore and it is thought that it would be feasible to build a milling plant with a 10,000 *tonnes per day capacity at a cost* of $100m. (£54.6m.).

* * *

An operating loss in both February and March has been incurred by the London Tin group's Kramat Tin as a result of the dredge having to dig through old tailings to new ground. Virgin ground was reached at the end of *April and bore values indicate that* higher outputs may be expected from May onwards. Meanwhile, the company does not propose to declare any further dividends in respect of the year to last March, leaving the 1975-76 total at 40 cents (8.47p) compared with 30 cents for the previous year.

U.K. ECONOMIC INDICATORS

General	Unit	1976	1976	1976	1975	1975
		1,281.1	1,254.9	1,340.4	899.7	768.4
Unemployed¶ ...	'000s	Apr.	Mar.	Feb.	Apr.	Mar.
Unfilled vac'ns.	'000s	*119.7*	*109.0*	*99.5*	*173.4*	*178.0*
Currency resrvs.	$bn.	4.848	5.905	7.024	7.132	7.117
Bank advncs. b	£bn.	14.196	14.08	14.317	n.a.	n.a.
Basic materials d	1970=100	284.7	273.7	263.5	222.9	221.9
Manfd. prods. d	1970=100	211.2	208.5	207.3	182.5	179.0
		Mar.	Feb.	Jan.	Mar.	Feb.
Terms of trade	1970=100	81.4	81.3	81.0	78.1	78.0
Retail prices ...	Jan. '74=100	150.6	149.8	147.9	124.3	121.9
Wage rates	July '72=100	206.5	205.1	200.8	161.1	158.9
Retl. sales val.**	1970=100	188.3	189.6	193.2	166.3	166.7
HP debt§	£m.	2,297	2,296	2,299	2,265	2,284

		1976	1976	1976	11975	1975
		Feb.	Jan.	Dec.	Feb.	Jan.
Indust. output...	1970=100	101.4	100.5	98.8	105.0	105.5

Trade and Industry		1976	1976	1976	1975	1975
		Apr.	Mar.	Jan.-Apr.	Apr.	Jan.-Apr.
Cars°	'000s	104p	121	114	114	115
Comm. vehicles°	'000s	29.1p	32.5	31.1	33.3	29.3
		Mar.	Feb.	Jan.-Mar.	Mar.	Jan.-Mar.
Imports f.o.b. ..	£bn.	1.926	200.5	1.961	1.687	1.769
Exports f.o.b. ...	£bn.	1.907	1.759	1.814	1.568	1.530
Visible trade balance	£bn.	−0.019	−0.246	−0.146	−0.119	−0.239
Steel (weekly average)	'000 tonnes	453.6	450.1	432	492.7	484.2
Bricks°	millions	493	424	451.6	386	397
		Feb.	Jan.	Jan.-Feb.	Feb.	Jan.-Feb.
Cement (weekly average)°	'000 tonnes	282	257	270	312	296
TV sets‡‡	'000s	172	176	174	234	248
Radios, radiograms‡‡	'000s	414	443	428.5	301	353
Man-made fibres°	m. kgs.	52.32	53.33	52.8	42.6	42.39
Houses cmpltd.¶	'000s	23.2	23.9	23.5	22.1	22.2
Petroleum† ...	m. tonnes	7.414	7.133	7.27	7.23	7.78
Elec. cookers f	'000s	88.0	62.2	75.1	77.0	78.6
Washing mchns.	'000s	96.2	70.0	83.1	85.9	84.9

		1976	1975	1975	1975	1974
Furniture†** ...	1970=100					
Hosiery°°	*1970=100*	*Jan.*	*Dec.*	*Jan.-Dec.*	*Jan.*	*Dec.*
Engnrg. (orders		160	149	154.8	149	134
on hand)** ...	1970=100	92	79	94	92	83
		97	99	111.3	125	128

		1975	1975	1975	1974	1974
		Dec.	Nov.	Jan.-Dec.	Dec.	Jan.-Dec.
Raw cotton (weekly av.) ...	'000 metric tonnes	1.70	2.32	2.09	1.91	2.26
Raw wools	m. kilos	9.3	9.7	9.2	7.7	9.4
Machine tools†	£m.	27.3	26.4	25	20.9	20.9

		1976	1975	1975	1975	1974
Consumer spending	£bn. 1970 values	1st qtr.	4th qtr.	1st qtr.	Year...	Year
		8,870g	8.804	9.041	35.413	35,607

		1975	1975	1975	1974	1974
		4th qtr.	3rd qtr.	Year to date	4th qtr.	Year
Motor trade turnover	1972=100	153	151	146.5	121	119
Bldg. and civil engineering° c	£bn.	2.958g	3.056	12.017	2.556	10.220

° Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ¶ Excluding car radios. ‡‡ *Deliveries, U.K. made and imported sets.* b From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historic figures on new basis not available. d Prices. f Including cooker griller toasters. c Value of output. ¶ United Kingdom not seasonally adjusted. g First preliminary estimate p Provisional figures.

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Pre-tax profit
tops £2 millio
for first time

Pearson Longman Limited, 1975:

Record achievements by book companies, lower trends in the newspaper business

Extracts from the statement by the Chairman, Lord Gibson

For Pearson Longman the trends in 1975 were the same as those of the preceding year. The book companies with their high proportion of overseas sales were relatively little affected by the state of the British economy and had a record year, both in terms of turnover and of profit before taxation. On the other hand, the newspaper businesses and most of our associated companies suffered from a lower volume of advertising and from higher costs which could not be wholly offset by the raising of advertisement rates and selling prices.

In consequence the group profit before tax was £9,889,000 which compares with the profit before tax for 1974 of £11,510,000. The profit after tax and after deducting profits attributable to minority interests, but before deducting extraordinary items, was £4,618,000 against £5,368,000 in the preceding year. For the group as a whole, there was a welcome improvement in the trend of profits in the second half of the year.

Highlights from the 1975 Report

Turnover	£108,650,000
Profit before taxation	£9,889,000
Taxation	£5,076,000
Minorities	£195,000
Extraordinary items	(£218,000)
Attributable	£4,400,000
Preference dividends	£22,000
Ordinary dividends	£2,009,000
Retained earnings	£2,369,000

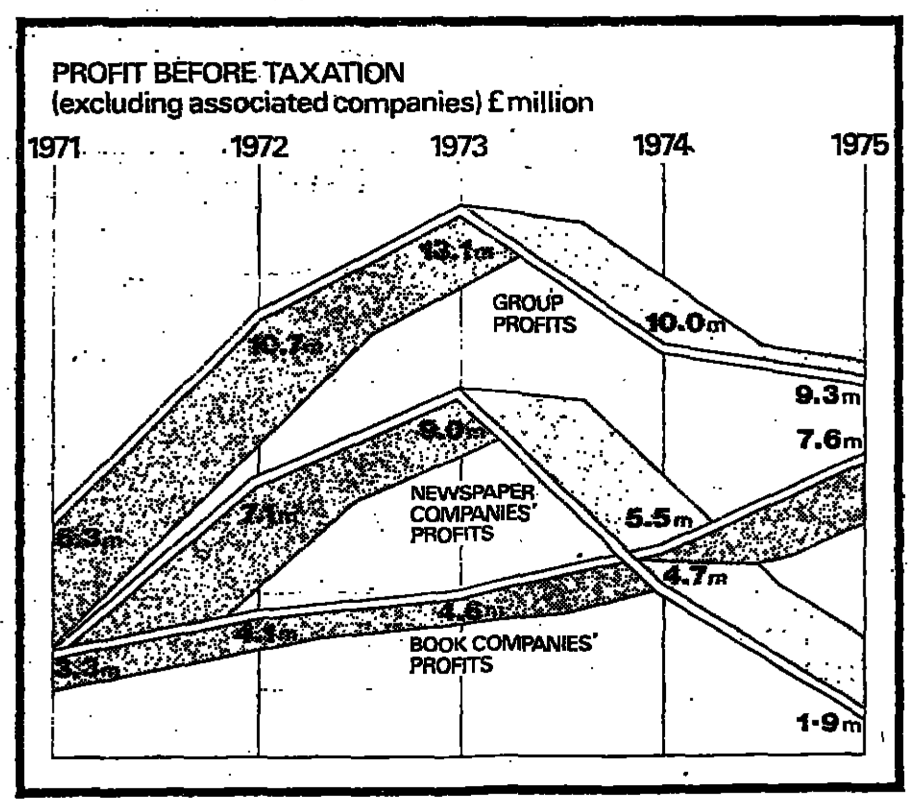
The high reputation of the Longman Group in educational and medical publishing and the world-wide spread of its activities give it great stability and it made a major contribution to Pearson Longman earnings in 1975. Ladybird Books, too, continued its remarkable success and achieved record sales and a useful advance in profits. Penguin had a very successful year in both home and overseas markets.

In November Penguin announced a major expansion of its international publishing arrangements. In conjunction with our parent company, S. Pearson & Son, a majority interest was acquired in The Viking Press of New York, into which company Penguin's subsidiary Penguin Books Inc. was merged. The resulting combination of Viking's strength as hard cover publishers and Penguin's expertise in the paperback field is expected to yield important benefits.

The *Financial Times* took an important new initiative in July when the management put forward a detailed and radical development plan to take advantage of the new technology now available in the newspaper industry so as to cut production costs and enable the company to reverse the underlying downward trend in profits which has become apparent.

Westminster Press has already introduced advanced production systems in many of its local newspaper offices.

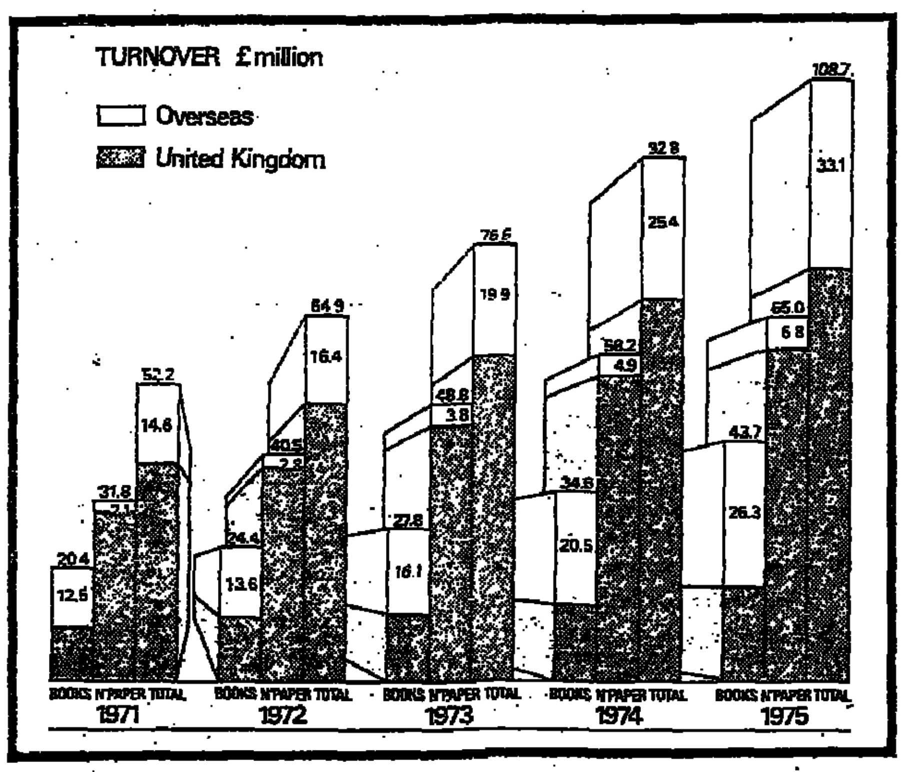
FT FINANCIAL TIMES · WP WESTMINSTER PRESS · LONGMAN · PENGUIN · LADYBIRD



Although there is scope for further progress in this direction the nature of the business, with over twenty production offices using a wide variety of equipment and each with differing requirements for technical sophistication, precludes a comprehensive development plan.

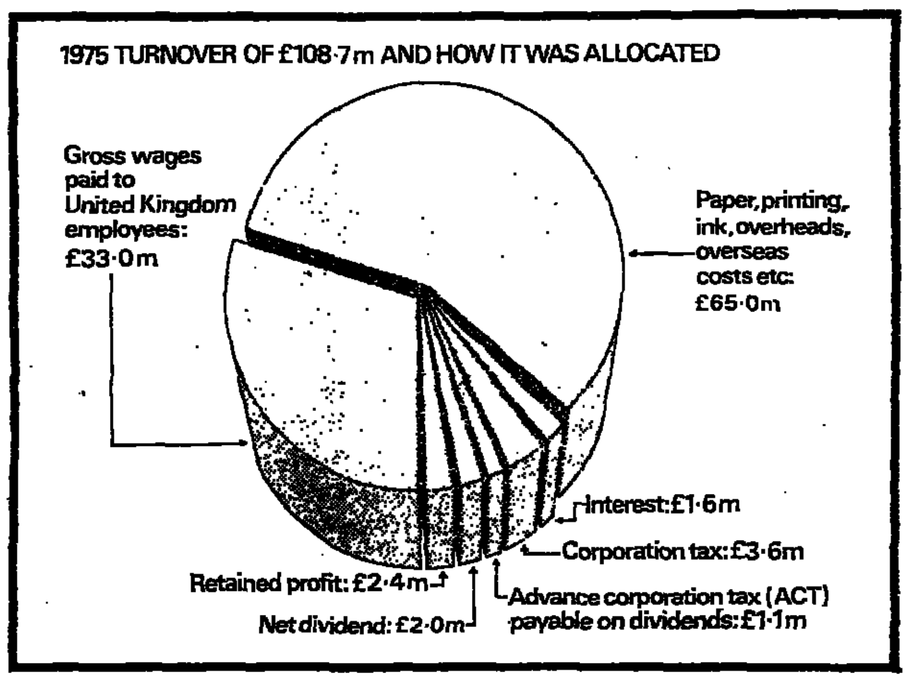
Inflation

Pearson Longman needs to earn much higher profits if it is to maintain its assets, let alone generate real growth. The main condition for an improvement is a further substantial reduction in inflation. In view of stiffening customer resistance, we cannot always rely on price increases even if they are permitted.



Dividends

The ordinary share dividend inclusive of tax credits totalled 6·817p per share in 1974. Dividends as proposed for 1975 will total 7·497p per share inclusive of tax credits, the maximum the law will allow.



Conclusion

The group has made a fair start in the present year. The results from our newspaper companies are still inadequate but there have been some signs of a recovery in advertising. The book publishing businesses remain buoyant and given reasonably stable conditions in their markets overseas they should have a good year.

I should like to conclude by thanking on your behalf all those who are employed in the group.

The Annual General Meeting will be held in the Vickers Conference Suite at Millbank Tower, Millbank, London SW1P 4QZ, on Friday, 4th June 1976, at 11.30 a.m.

To: The Secretary, Pearson Longman Limited, Millbank Tower, Millbank, London SW1P 4QZ.

Please send me______copy/copies of the 1975 Report and Accounts.

Name ________________

Address ________________

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INTERNATIONAL COMPANY NEWS + EURO MARKETS

Bayer expects higher world sales in 1976

BY NICHOLAS COLCHESTER BONN, May 12.

BUOYED by the general improvement in the world chemical business, Bayer of West Germany expects its world turnover this year to be up to one-fifth higher than the sales of DM17.7bn. that it achieved last year. Sales of the parent company, Bayer Ag, should be up by 12-15 per cent. on last year's DM8bn. and thus back to their 1974 level.

Announcing these forecasts, *the company's chairman*, Prof. Herbert Gruenewald, saw a clear improvement in profit for

Prof. Herbert Gruenewald

the year 1976 and a corresponding increase in dividend from last year's DM7.00 per share (DM8.50 in 1974).

Profit during the first quarter rose 50 per cent. to DM217m. before tax. The parent company's sales in the first three months were up by 17.6 per cent. to DM2.46bn. on the strength of *a 12 per cent. increase in home* sales and a 22 per cent. increase in export sales abroad. The turnover of the world group *rose by 21.2 per cent. to* DM5.23bn.

Bayer now produces more abroad than it does in West Germany and the increase in sales by overseas operations was the strongest feature of the first quarter—24.5 per cent. to DM2.22bn.

Despite the slump in chemical sales in 1975, Bayer continued to invest vigorously, spending DM1.9bn compared with DM1.8bn. in the previous year. This year, investment will be down to DM1.7bn. of which DM700m. will be devoted to Bayer AG. Professor Gruenewald suggested that this expenditure would pick up again in 1977, saying that Bayer's five-year plan called for the investment of DM1.8bn. a year.

The profit situation has improved because of the rise in Bayer's use-of-capacity which is currently standing at around 85 per cent. *Problems remain in* the fibre area where current prices are still too low to cover manufacturing costs. There is *also some* uncertainty over the outcome of the chemical industry wage talks, which could be adversely affected from the management's point-of-view by the tough line adopted by the German printing unions.

The Bayer chairman guessed at the Press conference that the company would not quite repeat the DM392m. after tax that Bayer AG reported for 1974. This suggests to observers that *the company may repeat its DM8* per cent. dividend of 1973.

Apart from the fibres business, Bayer's other lossmaker remains its involvement in the Metzeler *group of companies*, makers of tyres and plastic foam products. In 1975 Bayer had to give these companies DM62m. *to help them* cover a DM77m. loss. This compared with support of DM246m. in 1974. The companies made a small loss in the first quarter, mainly in the tyre business, and Dr. Gruenewald hoped to have the company turned round by 1977.

Presenting the annual report for 1975, management went over the details of the rights issue that will take place in May and *June. The aim of the issue is* to increase the proportion of equity capital to balance sheet total from 45 per cent. to 50 per cent. for the parent company, and from 27 per cent. to 30 per cent. for the world group.

To raise DM440m. Bayer will make a one-for-ten rights issue that will remain open for subscription between May 20 and June 10. The offer price is twice par—DM100 per share compared with the recent share price of around DM140. The issued shares will receive one-half of the 1976 dividend.

The Bayer report for 1975 shows that profits after tax fell by 46 per cent. for the world group, while Bayer AG's earnings dropped by 24.2 per cent.

Peugeot to take full control of Citroen

BY ROBERT MAUTHNER PARIS, May 12.

PEUGEOT, the French motor-car manufacturer, which early last month increased its stake in the Michelin-owned Citroen Company from 38 per cent. to 90 per cent., will assume total control of its erstwhile rival through a new bid announced to-day.

*The Peugeot bid for the re*maining 10 per cent. share in Citroen is being made on the basis of one Peugeot share for five Citroen shares, with new shares eligible for dividends from January 1, 1976. Peugeot shares closed on the Paris Bourse last night at Frs.295.20 and Citroen shares Frs.57.

The transaction will raise Peugot's capital to Frs.653.5m. (about £77m.), made of some 9.3m. shares of Frs.70 nominal and give the group majority control of 160 companies and a stake in 20 others. Of these, 100 are in France and 80 in other countries. The new group will have a total workforce of some 175,000, of which 150,00 are in France.

Peugeot's chairman, M. Francois Gautier, said to-day that he expected the group's consolidated net turnover to reach Frs.32bn. to Frs.35bn. in the current year, some 16 per cent. up on 1975.

With a production of some 1.25m. vehicles in 1975, the merged company has already become France's largest motor manufacturer, preceding even the State-owned Renault Group.

In spite of Peugeot's initial reservations about taking over the ailing Citroen Company, no one has any doubts to-day that it has made a satisfactory deal.

Thanks partly to the commercial success of the new CX models and Peugeot's strict financial management—400 Citroen employees have been dismissed and nearly 2,000 others retired early—Citroen has emerged from the doldrums during the past 12 months.

Its losses in 1975 on increased sales of 35 per cent. compared with the previous year amounted to Frs.304m., about one-third of the 1974 shortfall. Nor has Peugeot been obliged to finance either Citroen's losses or the cost of the reorganisation of the new group, which have been fully covered by huge Government loans and financial contributions from Michelin.

M. Gautier said to-day that, in spite of the merger, the two companies could retain their "individuality" and operate separate sales networks. It is clear, however, that the link-up will result in a much greater rationalisation of production and other activities.

Beijerinvest anticipates a 20% improvement in earnings

BY WILLIAM DULLFORCE STOCKHOLM, May 12.

BEIJERINVEST, the Swedish holding company with fast growing trading and industrial interests, expects to increase earnings 20 per cent. in 1976, provided the anticipated business recovery occurs towards the end of the year and its Scandinavian trading division is successful in its oil deals. The forecast would *imply pre-tax earnings of around* Kr.100m. (£12.5m.), of which Kr.22m. is expected to stem from the group's share portfolio.

Last year Beijerinvest *had* pre-tax earnings of Kr.82.6m. improved by an extraordinary capital gain to Kr.174m. Sales *rose from Kr.2.5bn. to Kr.4.23bn.* (£528m.) as a result of the merger with the Pribo Holding Company. Adjusted earnings per *share* were Kr.13 and the Board proposes to raise the shareholder's dividend from Kr.4 to Kr.6 per share. It is also recommending a one-for-two bonus issue financed mainly from the sale to the Swedish State of a 60 per cent. holding in the Pripps brewery for Kr.231m. in cash.

The improvement in liquid assets and solvency achieved from the merger with Pribo and the sale of Pripps will secure the group's expansion for several years ahead, managing director Anders Wall writes in the final account for 1975. Last year Beijerinvest took over a number *of companies in the iron and steel* branch, including the Kockums iron foundry.

A share portfolio worth *Kr.575m. at the end of the year* and Kr.629m. on April 1 this year will give the group a long-term earnings stability, according to Mr. Wall, who promises that expansion will be increasingly directed abroad. He sets *targets of a minimum equity/*debt ratio of 35 per cent., an average return on capital employed *before tax of 20 per* cent. (compared with just over 10 per cent. last year) and the maintenance of substantial liquid assets. At the end of 1975 the group's holdings in cash, short-term bank deposits and loans were Kr.282m. (£35.25m.) compared with Kr.70m.

A purchase of 100 shares in Beijerinvest in 1971 cost about Kr.12,000 and received a dividend of Kr.300. By participating in three subsequent new issues at a cost of Kr.16,300 and two bonus issues the holding would have increased to 420 shares. At the end of 1975 these would have been worth Kr.75,600 and would pay a 1975 dividend *of Kr.2,520. Over the past five* years the total yield (dividend plus price increase) on Beijerinvest shares has averaged 35.7 *per cent. a year.*

Moet-Hennessy

Moet-Hennessy SA announced that for the first nine months of the *financial* year ending June 30, portfolio revenues and income were Frs.13.6m., Reuter reports from Paris. The company said in the first 1976 calendar quarter net turnover was Frs.255.6m.

Solvay has 59% profit fall, cuts dividend

BRUSSELS, May 12.

CONSOLIDATED net profits of Solvay dropped 59 per cent. in 1975 to BFrs.1.2bn. from BFrs.2.97bn. in 1974, the major Belgian chemical company has announced.

The company proposed a 1975 dividend of BFrs.170 net per class A and B share and of BFrs.68 per class C share, down from BFrs.185 and BFrs.74 in 1974, respectively.

Profits of the parent company declined 30 per cent. to B.Frs.1.29bn. from BFrs.1.853bn., the company stated.

Consolidated sales rose to BFrs.80.26bn. in 1975 from BFrs.78.39bn. in 1974 and operational earnings declined to BFrs.7.52bn from BFrs.11.54bn.

Operational earnings as a per cent. of sales declined to 9.4 per cent. from 14.7 per cent., Solvay reported.

The company ascribed the profit decline to the general economic recession in 1975 and said this affected all sectors of the company's activities. The decline for Solvay was more severe during the second half of 1975 than in the first half, it added.

After reaching a low point at the end of 1975, business began to turn up again during the first months of 1976, the statement said.

The annual meeting to vote on the dividend proposal was scheduled for June 14.

AP-DJ

Gatx talks with Burmah 'fruitless'

A GATX Corporation of Chicago spokesman said yesterday that talks involving Burmah Oil, relating to the cancellation of the second of four giant oil tankers which Burmah is committed to charter, had so far proved *"fruitless," writes Stewart* Fleming from New York. On Tuesday Mr. Alastair Down, chairman of Burmah, said that *discussions* have been taking place with a Gatx subsidiary, General American Transportation, with a view to cancelling three of the four tankers Burmah is committed to charter.

The Gatx spokesman indicated that the prospects of reaching agreement on cancelling numbers three and four of the proposed tankers were better than for cancelling number two. He said that there had been a meeting *in Taiwan earlier this month*, but that talks about cancelling the second hull and been fruitless. He added that the issue of cancellation fees had been raised but was unwilling to give an indication on the figures discussed. Mr. Down had said that the first *of the four carriers is being built* and another may be built.

Boustead placement

Boustead Holdings said it proposes to issue 5.72m. shares of 0.50 ringgit nominal value to Malaysian Bumiputra institutional investors at 2.80 ringgit a share, Reuter reports from Kuala Lumpur. The placement, subject to approval by the Malaysian authorities and shareholders, would result in Malaysian investors holding 52.5 per cent. of *the enlarged capital, including* 31.2 per cent. held by Bumiputras.

Polish deal

Cit-Alcatel SA said it has signed a protocol with the Polish electronics company Elektrim, agreeing to establish a joint company to promote sales of the French time division switch system "E 10," Reuter reports from Paris. A company spokesman said the company will be owned on a 50-50 basis, and financial details are expected to be finalised soon.

Takeover rejected

The Canadian Government rejected a proposal by Carisbrook *Industries Inc., a subsidiary of* Hanson Trust of Great Britain, to purchase control of the Crawford-Collingwood, Ont., division of Indian Head Inc., Reuter reports from Ottawa.

Taisho plan

Taisho Marine and Fire Insurance Company said it is studying a plan to increase its capital from the present Y15,000m. Reuter reports *from Tokyo. But it denied a Press* report that it plans to issue 12m. shares in the form of European depositary receipts later this year. *Taisho issued 20m shares in the* form of London depositary receipts in the U.K. in 1966.

General Motors Eurobond issue

Financial Times Reporter

GENERAL MOTORS Acceptance of Canada has launched a $C35m. seven-year Eurobond issue The indicated coupon is 9¼ per cent. and the leader manager Morgan Stanley International.

Ecuador plans to float a bond issue of 25m. bolivars (£3.2m.) in Venezuela next month, Reuters reports from Quito. Sr. Cesar Robalino, Ecuador's finance minister said this is the first step in a series of foreign borrowings to finance domestic development projects following the end of talks on the possibility of a $90m. loan from U.S. banks

On the U.S. bond market, Brazil is expected to launch $50m. of unrated 10 per cent. five-to-ten year bonds to-day at *par. In Europe, BASF is expected* to launch a Sw.Frs.100m. issue later this month possibly at a coupon of 6¼ per cent.; Finland *has launched a DM100m. 8 per* cent. eight-year Eurobond issue via Dresdner Bank.

Geneen says ITT may have made Chilean payment

BY STEWART FLEMING NEW YORK, May 12.

MR. HAROLD GENEEN, the chairman of International Telephone and Telegraph (ITT) conceded to-day that the company "may have sent" $350,000 to support "the democratic anti-Communist cause" in Chile.

But he claimed that U.S. Government authorities both "knew of and encouraged at that time funding of this type by several corporations as further the U.S. Government's own objectives."

Mr. Geneen, who has previously denied knowledge of such payments, said that this new information "is not consistent" with his own previous knowledge of ITT's activities in Chile.

He claimed, however, that the action was entirely lawful and was for the purpose of protecting the company's $153m. investment in Chile.

Mr. Geneen claimed that the company had no information to suggest that the money was used to support any "irregular or violent action." He added that such political contributions would be legal under both Chilean and U.S. law.

ITT has been accused of plotting to prevent the election of and later to overthrow the Government of the late Chilean President Salvador Allende. While in the past denying that the company did anything illegal or unethical *in Chile, ITT has* said it did offer funds to the Central Intelligence Agency to aid Allende's political opponents.

Last year ITT settled a shareholder suit which alleged that the company had engaged in illegal political activities. The settlement cleared the company and its officers of charges that it had contributed illegal payments and engaged in illegal acts relating to the 1970 Presidential election in Chile.

At that time ITT said that it would sign a pledge to shareholders each year to the effect that it had not taken part in partisan political activity. An ITT spokesman said that this reaffirmed existing policy of political non-partisanship.

Earlier this month the company was *granted* a court order protecting it from public disclosure of information which the Securities and Exchange Commission is requiring it to produce as part of the SEC's investigation of unauthorised foreign and domestic payments.

Mr. Geneen's statement admitting the possibility of political payments in Chile came at the company's annual meeting in Phoenix, Arizona. At the same time the company also released its first quarter profit figures showing a rise in net earnings from $160.6m. in the first quarter of 1975 to $119.2m. in the first quarter of 1976.

Fully diluted earnings are 92 cents a share against 85 cents. Mr. Geneen said that he expected the company to resume its historic growth rate this year after last cyar's decline which was the first since he became chief executive in 1959.

Mr. Geneen said that the results reflected a "sharp recovery" in the profits of the Hartford Insurance Group's figures. He added that the auto parts division and the Continental Banking operation also performed strongly.

Westinghouse plans more European cuts

BY CHRISTOPHER LORENZ

WESTINGHOUSE is planning a further cutback in its European interests, it revealed yesterday. It is now negotiating with a Belgian consortium for the sale of most of its 67.8 per cent. holding in ACEC, of Charleroi.

Westinghouse bought the stake in 1970, partly from the Empain group, at a time when it was building up its European interests in power generation equipment, and when European electricity demand was expected to increase substantially.

ACEC is best known for its generators, transformers, motors and gas turbines. It has seldom contributed anything to Westing*house's earnings. Even before* the radical change in top Westinghouse management last year, there had been repeated rumours that part of the ACEC stake would be sold.

Three factors have now combined to force the issue. First, *power demand* has slumped and there is again severe overcapacity in the European power generation industry. Second, ACEC was very badly hit, making losses of B.Frs.351.3m. and B.Frs.81.7m. in 1973 and 1974 respectively. Third, Westinghouse has "trimmed out a number of operations that were unpromising or did not fit into our long-range plans," to quote its new Chairman, Mr. Robert E. Kirby, at the annual meeting a fortnight ago. This follows the financial problems Westinghouse suffered in recent years.

In Europe, Westinghouse has already got out of its French and Belgian elevator operations, and sold two-thirds of its 45 per cent. interest in Framatome, the French nuclear reactor manufacturer (though this was partly due to strong pressure from the French Government). The sale, in addition, of most of its ACEC stake would bring its European power equipment policy more into line with that of its major competitor, US General Electric, which since the war has relied on licensees and affiliates rather than direct manufacture.

The Westinghouse statement said the Belgian consortium comprised both private industry and Government interests. Reuter reported that industry sources in Belgium said the French Empain Schneider group was the most likely private bidder (its chief, Baron Empain, is Belgian), but that a Government stake was not excluded. At present, the rest of the equity is held by Societe Generale de Belgique and the public. Empain has been building up its interests in the last few years, mainly in France.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	100¾	101½
Ashland 8pc 1987	95½	96½
Austrawiss 8pc 1987	94½	95½
BFCE 8½pc 1983	99½	100½
CNE 9¾pc 1985	100¾	101¾
Conoco 8pc 1986	100	101
ECS 9¾pc 1986	100¾	101¾
EIB 9¼pc 1985	102½	103½
ERAP 9¼pc 1983	101½	102½
Esso 8pc 1986 Nov.	100½	101½
Eurofina 8¾pc 1983	99½	100½
Granges 9¼pc 1985	101	102
Massey 9¼pc 1987	103	104
Michelin 9½pc 1986	100	101
Modo 9½pc 1983	100½	101½
Nwf'dl'nd Labrador 9½ '88	103½	104½
New Zealand 9½pc 1982	103	104
Norpipe 9¾pc 1986	100	100¾
Norsk Hydro 9½pc 1986	102	103
Oslo 9pc 1988	99½	100½
Pacific Light 8pc 1987	95	96
Prov. Quebec 9pc 1984	100½	101½
[illegible] 8½pc 1988	100	101
SFE 9pc 1988	100½	101½
Shell 8pc 1986	101	102
Standard Oil (Ind) 8¼pc '88	103	104
Svenska Handels 9½pc 1986	100	101
Volvo 9½pc 1985	102½	103½

NOTES	Bid	Offer
Barclays 9½pc 1982	101½	102½
British Gas 9pc 1981	101	102
Charbonnages France 8½ '81	99	100
Denmark Mort. Bk. 9pc '83	99½	100½
ECS 8½pc 1981	101	102
EEC 8¼pc 1982	97½	98
Electricity Council 8½pc '81	98½	99½
Montreal 9½pc 1983	102	103
Nippon Steel 9½pc 1980	102½	103½
Norway 8½pc 1981	101½	102½
Prov. Quebec 8½pc 1981	100½	101½
Seagram 9pc 1983	102	103

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	82	84
Ashland 5pc 1988	87	89
Beatrice Foods 4½pc 1992	95	97
Beatrice Foods 4¼pc 1992	105	107
Borden 5pc 1992	98	100
Broadway Hale 4½pc 1987	78	80
Canon Camera 7pc 1988	138	140
Carnation 4pc 1987	80	82
Chevron 5pc 1988	114½	116½
Dart 4¾pc 1987	82	84
Eastman Kodak 4½pc 1988	114½	116½
Economic Labs. 4½pc 1987	81	83
Fed. Dept. Stores 4pc '85	127½	129½
Firestone 5pc 1988	88½	90½
Ford 6pc 1986	100½	102½
Ford 5pc 1988	89	91
General Electric 4¼pc 1987	87	89
Gillette 4¾pc 1987	79	81
Gould 5pc 1987	86½	88½
Gulf and Western 5pc 1988	97	99
Harris 5pc 1992	93½	95½
Honeywell 6pc 1986	83	85
ITT 4½pc 1987	79	81
Komatsu 7½pc 1990	106	107½
J. Ray McDermott 4¾pc '87	137	139
Mitsubishi Elec. 7½pc 1991	105	106½
Mitsui 7½pc 1990	101	102½
J. P. Morgan 4½pc 1987	115½	117½
Nabisco 5½pc 1988	93	95
Owens Illinois 4½pc 1987	107	109
J. C. Penney 4½pc 1987	83½	85½
Pioneer 6½pc 1989	293	295
Revlon 4¼pc 1987	99½	101½
Reynolds Metals 5pc 1988	87½	89½
Sperry Rand 4¼pc 1987	99	101
Squibb 4¾pc 1987	80	82
Texaco 4¾pc 1988	81	83
Toshiba 6½pc 1990	106	107½
Union Carbide 4½pc 1982	125	127
Warner Lambert 4½pc 1987	91	93
Warner Lambert 4¼pc 1988	84	86
Xerox 5pc 1988	75	77

Source: Kidder, Peabody Securities.

EUROBOND QUOTATIONS AND YIELDS

The official Eurobond Quotations and Yields List will be published monthly by the Financial Times from Monday June 7 1976

Turn to page 33 today for details

هكذامن الأجهل

Ulster lies uneasy under direct rule: Giles Merritt reports

Free for all in Belfast


Mr. Merlyn Rees inspects security arrangements in Belfast.

ORTHERN IRELAND is look- ing well this spring, but all is not as well as it looks. The province at least appears to have withdrawn from the verge of civil war, notwithstanding a growing number of isolated bombing incidents, the breakout of eight Republican prisoners from Long Kesh, and the arrest in the Republic of SAS counter-insurgent troops.

But the seeming improvement, for what it is worth, is precarious and does not hide the underlying problems. Maybe it is only the lull before the storm resumes. For two months the province has been governed from Westminster under direct rule, *new-style*. To almost all sections of its political opinion direct rule is an unwanted, undemocratic yoke, and the British Government *is now entering a* testing time during which Ulstermen, often for conflicting reasons, will be actively trying to shrug it off.

Ulster's knockabout politics have come to a sudden stop. Mr. Merlyn Rees, the Northern Ireland Secretary, warned that when the 78-seat Constitutional Convention broke up on March without agreeing on a devolved power-sharing government, the local politicians would be out of a job. He has been true to his word. With no forum they have no clout, except to comment rather feebly on local matters *in their capacities as* ex-convention members."

The only real argument in favour of announcing an indefinite period of direct rule and freezing out the Ulster politicians was that their initiatives, or squabbles, had produced the tensions that caused violence, whereas quiet but firm administration direct from Westminster would have a sedative effect politically.

That is exactly how it has been. Mr. Rees' civil servants now talk energetically of at last being able to get down to the real work of administering the economically stricken province and pretend that because paramilitary violence is largely out of sight, it is also out of mind.

Appearances are deceptive. Beneath the surface the politicians and the paramilitaries are examining ways of knocking direct rule off balance and discrediting it, while the Provisional IRA is as usual *planning* that "one last shove" that will push British public opinion and lead to withdrawal.

Moreover, though rioting has subsided, and the bombs usually do not go off without previous warning, violence persists. Bombings in the province are climbing steadily back to the record level of 1973. More than twice as many bomb attacks are being launched by the Provos this year than last. The monthly average is *now 120*, including bombs defused and those failing to explode. Last year it was just over 50. In 1973 the average was *150* a month, but because then there were many no-warning bombs that killed civilians indiscriminately, and because last autumn military-style planning sometimes led to over 20 explosions in a day, 76 has *so far* seemed a relief.

The killing rate, too, is still high. Patternless and sporadic, and therefore largely ignored by all but the immediate circle of the victim who often just walked down the wrong street at *the wrong time, each murder* is nevertheless a potential trigger capable of detonating a new Ulster crisis. So far this year, people have *died, including* members of the security forces, as against 76 in the first *four months of 1975*.

But the present style of death and destruction is one that the British Government can cope with. Compared with the widespread rioting and disruption of earlier years which brought life in Ulster to a standstill, and which the authorities seem to hope will never return, to-day's violence is shots off-stage. It is *a precarious situation, and one* which all sectional interests other than the British Government have a vested aim in ending. Mr. Rees has to work out his notice until mid-summer, following Mr. Callaghan's *surprise decision not to bring him* back to London in the new Government for the time being. He naturally hopes that he can do so quietly. Unfortunately for him, he is still in the position of an unwanted referee with *the contestants,* meaning all shades of opinion from moderate to hardline on both sides of the divide, impatient to toss him out of the ring so they can carry on with a *free* for all that each is convinced he must win.

Mr. Craig

Worse still, they know that *they must do so quickly.* Everyone, from Stormont Castle through the spectrum of *Loyalist politicians and the* paramilitary Ulster Defence Association to the Provisional IRA appreciates that if direct *rule cannot be dislodged by the* summer it will become increasingly secure.

To begin with the respectable, Mr. William Craig wants, and intends to get: a return of the inter-party talks between the United Ulster Unionist coalition and the mainly Catholic Social Democratic and Labour Party. Mr. Craig, the Vanguard Loyalist leader, is the *militant-turned-*moderate who almost clinched an emergency power-sharing *coalition deal with the SDLP* last autumn and was consequently pitched out of the UUUC at the Rev. Ian Paisley's behest.

Mr. Craig now believes that there is enough support for him *inside the official* Unionist Party, largest and least committed element of the UUUC, to justify a resumption of the *talks. He also believes that the* SDLP is feeling the draught of direct rule enough to return to *the negotiating table even at* the risk of yet another Loyalist put-down. The SDLP deputy leader, Mr. John Hume, and Mr. *Paddy Devlin* have indeed increasingly been paying visits to Dublin of late, perhaps seeking parental reassurance, but it seems improbable that they are at Mr. Craig's beck and call.

Ideally, Mr. Craig would like 10 Downing Street to convene new inter-party talks. But Mr. Callaghan listens to Mr. Rees in these matters, and Mr. Rees will adamantly oppose any further discussion of devolved government during his closing care*taker period. Relying on the en*hanced stature he gained last year, in Britain at least (for in Ulster his Vanguard Party looks an increasingly ramshackle platform), Mr. Craig is prepared to call for talks on his own initiative.

At first glance it may all sound hopeless, even naive. Mr. Craig, however, has one trump card up his sleeve and that is the Ulster economy. There is no disguising that it is desperately sick and Mr. Rees' Ministry is at present trying to squeeze rescue funds out of Whitehall. Mr. Craig will argue that devolved government, implying agreed political stability, is the only key to resumed foreign investment.

His support, he believes, must come not only from Unionists who now wish they had listened last year when he read out the economic writing on the wall, but also *from* Ulster's lengthening dole queues. The calculation is that whatever may suit Westminster, it cannot ignore widespread and concerted *demands in* Northern Ireland of inter-party talks.

Such a general clamour, this time not for coalition talks, but for a return of the old Unionist Government at Stormont is also the aim of Mr. Ernest Baird, leader of the United Ulster Unionist Movement. Mr. Baird was Mr. Craig's not-so-trusty lieutenant in the Vanguard Party, who last year led a mass defection on the emergency coalition issue and formed his UUUM. Like Mr. Craig, he knows that time is not on his side. Mr. Baird thinks he must convince the UUUC of the need *for direct action before apathy* sets in: Mr. Craig reckons he must enlist their support before the vacuum of direct rule forces the coalition into backbiting disintegration.

Mr. Baird does not know *exactly what he wants,* for a return to the old Stormont is now an impossible dream, but *he knows what he does not want* and that is power-sharing or direct rule. Confused and resentful, he has like so many gut Protestant Loyalists, one last resort—the UDA. Largest of the Protestant private armies but riven by its own internal feuds, it is the joker in the pack.

Ulster does not seem too concerned about being increasingly run by officials, because its Ministers are often absent and over-stretched, and because it is under-represented by 12 rather than 20 MPs at Westminster. The obsessive questions are whether *the British* are on the one *hand planning* sly integration and, on the other, stealthy withdrawal. The *SDLP leader, Mr. Gerry Fitt,* has lately warned the Government that if the line between direct rule and integration becomes any more blurred he may desert Labour in the division lobbies.

Indeed, if indefinite direct rule is to be knocked off course it could well be in Westminster rather than through violence in *Ulster. The bi-partisan relation*ship between Government and Opposition does not extend to the economy. If Mr. William Craig is correct *in his prediction* that unemployment in Ulster will hit 18 per cent. by the end of the year, compared with the present record level nudging 10 per cent., then Tories already deeply concerned about econ*omic policy in Northern Ireland* would be in open revolt. The search for a solution could be on again by Christmas.

APPOINTMENTS

Sir Eric Drake joins BP Canada

Sir Eric Drake has been elected a director of BP CANADA. Sir Eric retired as chairman of the British Petroleum Company in November last year and relinquished his directorship of the company at that time.

*

Mr. Selwyn R. Lewis has been appointed a director of BREMAR HOLDINGS. He joined the bank in 1973.

*

Mr. D. J. Sharratt has been elected to the Board of CENTURY ALUMINIUM COMPANY and becomes production director.

*

Mr. F. R. Wales will be joining CANNON ASSURANCE as chief actuary on June 1. Mr. Wales is at present actuary for the U.K. for the Colonial Mutual Life Assurance Society. Mr. Stephen Meldrum, currently deputy actuary for Cannon Assurance, has been appointed actuary.

*

Mr. D. R. W. Watts has been re-elected president of the FEDERATION OF CIVIL ENGINEERING CONTRACTORS. Mr. S. E. Baucher, the former vice-chairman, becomes chairman and Mr. P. Galliford vice-chairman.

*

Mr. Dennis A. Snow, chief engineer, overall division, of Sketchley, has been elected president of the INSTITUTION OF PLANT ENGINEERS for 1976-77. He was previously vice-president.

*

Consequent upon a re-allocation of duties within the BRITISH AND COMMONWEALTH SHIPPING group, Mr. A. E. Lemon will relinquish operational control of the group's shipping activities from May 17, when Mr. G. F. Bedford will take over and succeed Mr. Lemon as managing director of Cayzer Irvine and Co. Mr. Lemon will continue on the Boards of British and Commonwealth, Cayzer Irvine and other subsidiary companies.

*

Sir John Nicholson, chairman from 1957 to 1971, intends to retire from the Board of OCEAN TRANSPORT AND TRADING at the end of June to reduce his business commitments. Though he reitred from full-time business in 1971 he has been with the group for 44 years.

*

Mr. Michael Maude has been appointed export sales director in the marketing division of HYMAC, part of the Powell Duffryn Group. Mr. Maude, who has been with the company since 1974, has been until now regional marketing manager for the Far East and Australasia.

*

Mr. Derek Hinks has been appointed group marketing director and Mr. Douglas Fisk group planning and projects director of NEWAGE ENGINEERS, part of the Charterhouse Group. Mr. Hinks was previously a director of the Newage electrical division and Mr. Fisk was also a divisional director until his appointment last September as group planning manager.

G. K. G. Stevens joins Unilever Boards

Mr. G. K. G. Stevens was elected a director of UNILEVER and UNILEVER N.V. at the annual general meetings of the companies held in London and Rotterdam yesterday.

*

Mr. R. J. S. Mawson, who has joined the FIRST FINSBURY TRUST GROUP, was previously managing director of Airfix Footwear. In his new capacity he will be deputy chairman and chief executive of the ALPHA LEATHER GROUP, comprising Alpha Leather Co., Light Leather Co., Freeman Horn Co. and Capehorn. Mr. J. A. R. R. French, managing director of First Finsbury Trust, has been elected chairman of Alpha and its subsidiaries in place of Sir Douglas Clague, who has resigned as a director.

*

Mr. D. C. Rennison has been appointed an assistant director of G. P. TURNER & CO. Mr. F. A. Budden becomes secretary of G. P. Turner & Co. and G. P. Turner (Life & Pensions Brokers).

*

Mr. D. F. Y. Macdonald is to succeed Mr. E. S. Readwin, who has reached normal retirement age, as chairman of Minvielle and Chastanet, the BOOKER McCONNELL subsidiary in St. Lucia. Mr. Macdonald is at present managing director of Bookers (Malawi) and will be taking up his new appointment in July. Mr. D. G. P. Taylor, at present administrative director of the merchants division of Booker McConnell, is to succeed Mr. Macdonald as chief executive of Bookers (Malawi). He will also assume the chairmanship of Bookers (Malawi), at present held by Mr. J. N. W. Hearder, chairman of the merchants division.

*

Mr. Grant Liddell has been appointed a director of STREETS FINANCIAL.

Anglo American Corporation of South Africa, Limited

(Incorporated in the Republic of South Africa)

'South Africa should strive to enable the majority to share in the opportunities of the free enterprise system'

H. F. Oppenheimer

Extracts from the statement by the Chairman Mr. H.F. Oppenheimer

The year 1975 was a very difficult one and the upswing in the South African economy which had been expected to occur early in 1976 is still not under way. In the circumstances it is satisfactory that the Corporation's net profit should have risen by 12 per cent to R84.7 million and that it was possible to raise the dividend by four cents to 33 cents a share. Equally significant is the fact that during the year we embarked upon a number of important new projects which will ensure the continued growth of the Group.

South African economy

It is difficult to predict when an improvement in the South African economy will take place. The very severe *budget that has recently been introduced* is bound to restrict domestic consumption and private investment still further. The recovery, when it comes, will in all probability be export-led and fortunately, as I indicated when discussing our industrial and diamond interests, there are already signs of an improved demand for some South African products overseas. In 1975 South Africa continued to spend much more abroad than it earned, with the result that the deficit on current account almost doubled from R860 million to R1 616 million. Private consumption last year rose by only 3.1 per cent compared with 5.6 per cent in 1974 and 5.5 per cent in 1973, whereas Government consumption (including defence expenditure) rose by 14.1 per cent compared with 11.4 per cent in 1974 and three per cent in 1973. Obviously it was Government expenditure and not private consumption that lay at the root of the overspending. The situation was of course aggravated by the fall in the price of gold. Receipts from the sale of gold were only marginally lower than in 1974 *but expenditure was geared to substantially higher* expectations. In 1973 receipts from gold rose by R608 million and in 1974 by R796 million and this trend was apparently expected to continue.

In his budget this year the Minister of Finance has made a commendable effort to slow down the growth of government expenditure and to finance the country's needs in a non-inflationary way. His ability to do so however is limited by the ever-increasing needs of defence. Plainly adequate provision for the country's safety must be an absolute priority and the defence appropriation for this year—which was almost 40 per cent higher than in 1975 — will be generally accepted as necessary. Nevertheless the economic growth required for our prosperity and indeed for our social and political stability is hardly reconcilable with such rapidly increasing defence expenditure. The conclusion seems inescapable that the improvement of relations with our African neighbour states is more than a political and military need — *it* is also an economic necessity. It is encouraging therefore to see that the Angolan civil war, with all the implications for South Africa, has not deflected the Government from its policy of conciliation and detente, though it may very well have made its implementation more difficult.

Discrimination

The developments in Angola and Mozambique pose problems for South Africa, not only in regard to external relations and defence but to its internal policies also. It cannot have been surprising that a substantial part of our Black population should have sympathised with the aspirations of the peoples of Angola and Mozambique to free themselves from Portuguese rule. What is striking and disturbing is that they should apparently have shown an almost complete indifference to the implications of the decisive role played by communist troops and advisers in Angola, to the fact that Mozambique is being organised as a full communist state and that there is a strong possibility that the same may be true of Angola. South Africa, although it has a substantial element of state-controlled industry in its mixed economy, has always been strongly oriented towards the free enterprise system and depends for its economic strength on a powerful, dynamic and imaginative private sector. In the long run that system is not going to be successfully defended and developed in South Africa unless a large proportion of the people, particularly those with *leadership potential*, see it as offering them more than any of the alternatives. At present the vast majority of the Whites and a substantial proportion of the Blacks favour the free enterprise system, but there are many Blacks who, denied the opportunity to participate in the decision-making processes and share equitably in the benefits that the development of our natural resources have produced, tend to identify it with a political and social establishment which they regard as unjust and oppressive. Nor is this surprising. For the Whites, despite some unwarranted encroachment by the State, our economic system is associated with freedom. Whites are free within reason to start businesses and to develop them in whatever way they deem fit. They can move freely from *one occupation to another. They can participate in* recognised negotiating machinery which protects their interests. They can own properties, borrow on them and improve them. They are reasonably free from frustrating, arbitrary and humiliating bureaucratic control and generally speaking their educational, economic and social circumstances permit them to develop as individuals to the best of their ability.

Features of the Consolidated Financial Statements

	1975 R000's	1974 R000's	1973 R000's
Issued ordinary capital and reserves	439 422	388 834	345 349
Investment income	81 194	73 298	51 017
Equity earnings	84 428	75 460	57 954
per share	*84.1 cents*	*57.4 cents*	*44.6 cents*
Dividends on ordinary shares	43 449	38 100	31 176
per share	33 cents	29 cents	24 cents

Investment comparisons by prime source

	Value* Percentage 1975	Value* Percentage 1974	Income Percentage 1975	Income Percentage 1974
Gold	41	56	47	44
Diamonds	13	9	15	17
Copper	3	2	4	9
Coal	5	3	2	3
Platinum	2	2	1	3
Other mining	5	5	2	2
Industrial	18	14	17	16
Finance	10	7	11	6
Property	3	2	1	—
	100	100	100	100

*Excluding interests attributable to outside shareholders in subsidiary companies.

Blacks, on the contrary, are subject to all kinds of restraints in the establishment of businesses and enterprises, in movement, in the organisation of collective bargaining and in the ownership of property. Discriminatory legislation and excessive bureaucratic control impinge on important areas of their daily lives, preventing them from participating in the opportunities for and the rewards of ability and hard work. Educational facilities, living conditions, security and transport facilities are all markedly inferior to those available to Whites. The fact is that the Blacks are not truly part of our free enterprise system at all. For those of us who believe, as I do, that this system offers far greater potential for developing the wealth of South Africa and far greater scope, freedom and opportunity for the individual than any other, the situation is alarming. To my mind South Africa, particularly its commerce and industry which depend fundamentally on the continued existence of free enterprise, should strive in *every way to enable our non-sharing, non-participating* majority to share in the opportunities and participate in the decision-making of the system. Clear and unmistakable evidence of a major move in this direction would also be of very considerable significance abroad; without it our *Government's external policy of conciliation and detente* can scarcely hope to succeed.

There are a number of forces present in the South African situation which ought to give impetus to such a move. *The Government has stated in unequivocal terms* that it is opposed to racial discrimination. In the years ahead such acute shortages of skilled manpower are anticipated that it seems evident that the main impediment to the continued growth of the South African economy *will be our human — and financial — resources*: not lack of viable projects. Yet rapid growth is essential if Black aspirations are to be provided for without undue threat to White security. Some steps towards the removal of restraints and greater participation by Blacks have been *taken already, but they are far too limited and tentative to* meet the needs of the situation.

It would be foolish to pretend that it will not be enormously difficult to evolve means whereby the Black people of South Africa can participate in decision-making at all levels, and share equitably in the opportunities and wealth of our country. Even if policy was focused conscientiously on these matters immediately, the objectives could not be achieved for many years to come, *and unorthodox and imaginative approaches would be* needed in the meantime. Nevertheless the attempt must be made, and the experience of others confronted by similar situations indicates that provided it is genuine and determined, very significant progress can be made in a *much shorter time that at first seems likely*.

Labour policies

Fortunately the real earnings of Black workers *have* continued to improve, particularly in the mining industry. Overall the real increase last year, excluding the agricultural sector, is estimated at 10.6 per cent; excluding the mining industry the increase was 2.1 per cent and in *mining as a whole it was as high as 44 per cent. In* considering these figures it must be borne in mind that until recently wages in the mines were far lower than in manufacturing industry and that even now this disparity has not been fully eliminated. There have been no serious outbreaks *of industrial unrest amongst the Black* employees of our Group since January 1975, when the disturbances were not directly connected with conditions on the mines but were associated with the Lesotho Government's introduction of a compulsory scheme of deferred pay for its citizens. There is no doubt that the improvement in industrial relations is largely due to better pay and the other measures we have been taking. It would be most unwise, however, to assume that there is no further danger of trouble or that nothing more remains to be done. Another very welcome consequence of the rise in wages has been the remarkable increase in the number of South African Blacks coming to work on the mines. On the gold mines of our Group, where the proportion of *South African Blacks has been higher than in the industry* as a whole, South Africans constituted 29 per cent of the Black workforce of 111 000 at the end of February 1974. Two years later, when the workforce had increased to 120 000, the proportion from South Africa had risen to more than 44 per cent.

Since the formation of the Corporation's manpower resources division early in 1975, a great deal of work has been done in developing Group policies in this field. Particularly pleasing is the growing co-operation between head office and Group companies in the implementation of these policies, which while they may be researched and worked out at head office, cannot be successfully adopted without the sympathetic understanding and involvement of the operating management. Perhaps the most wide-spread achievement of the past year has been the implementation of a uniform system of job evaluation and the development of new pay structures in all our mines and in most of our industrial companies. There has also been considerable progress in the establishment of *briefing groups and committees for downward and* upward communications respectively. These have not proved uniformly successful however and further efforts in this field are essential. Our training activities have been greatly expanded with the emphasis on the preparation of *Black workers for more skilled occupations*. Various measures are in hand, including the provision of better and more attractive accommodation, to mitigate the hardships inseparable from the migrant labour system and happily there is also every prospect of our being able to increase *considerably* the number of *Black mineworkers* who may live with their families on the mines. Notwithstanding this progress much remains to be done and we shall not relax our efforts to improve matters further. However the maintenance of good labour relations depends to a great extent on considerations which go far beyond what can be achieved by industry alone and there is an urgent need for adaptation and change on a national level in the whole field of race relations.

Social projects

The special projects in the social field which I mentioned last year are making good progress. The scheme to enable Black teachers in Bophuthatswana to improve their qualifications successfully completed its first year. More than 400 students wrote examinations, and rather more than half of them passed. This year 800 students have enrolled. The building of the agricultural high school in *the Ciskei is nearly complete and the equipping of the* school and the development of its farm are about to begin. The first pupils will enter in January 1977. Several new projects were initiated in 1975. We are providing the funds to enable the University of Cape Town to undertake a *large research programme into low-cost housing*, which is one of the most pressing social problems in the western Cape. In conjunction with the University of the Western Cape, the university for the Coloured people, we have provided part of the funds for a social development *agency, founded by and administered by Coloureds*, that will promote welfare work among their people on a broad front. At the University of the Witwatersrand the Department of Social Work has just established with our help a community research and development unit which, *together with citizen groups in the Black*, Coloured and Indian communities of the Witwatersrand, will undertake studies into welfare programmes and will collect and publish local case study material that has not hitherto been available for the training of social workers in South Africa. Early this year we reached agreement with the Department of Bantu Education in terms of which we shall provide the buildings for a teachers training college in Soweto, just outside Johannesburg, which will have places initially for some 300 students.

The fifty-ninth annual general meeting of Anglo American Corporation of South Africa Limited will be held on Friday 21st May, 1976 at the head office of the Corporation in Johannesburg.

Copies of the Chairman's full statement together with the annual report are available from the London office, 40 Holborn Viaduct, EC1P 1AJ or from the transfer secretaries, Charter Consolidated Ltd., P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.

SAB

THE SOUTH AFRICAN BREWERIES LIMITED

(Incorporated in the Republic of South Africa)

PRELIMINARY RESULTS AND FINAL DIVIDENDS FOR THE YEAR ENDED 31ST MARCH, 1976

EARNINGS AND DIVIDENDS

The unaudited results of The South African Breweries Limited and its subsidiary companies for the year ended 31st March 1976, compared with those for the year ended 31st March 1975, are as follows:

	1976 R'000s	1975 R'000s
Turnover:	1,181,000	886,900
Operating Income:	83,000	70,300
Taxation:	27,500	23,400
	55,500	46,900
Attributable Group interest in net earnings of a *subsidiary not consolidated*:	1,200	600
Operating income after taxation:	56,700	47,500
Attributable to outside shareholders in consolidated subsidiaries:	11,100	10,600
	45,600	36,900
Preference dividends:	4,500	4,300
Operating income attributable to Ordinary shareholders:	41,100	32,600
Ordinary dividends	19,800	16,100
Retained Earnings	21,300	16,500
Earnings per share	20.7 cents	18.3 cents
Ordinary dividends per share:		
Interim:	2.5 cents	2.5 cents
Final:	7.0 cents	6.5 cents
Total:	9.5 cents	9.0 cents

Earnings per share of 20.7 cents exceeded those of the previous year by 13% and dividends totalling 9.5 cents were declared. Earnings and dividends compare with those of 20.1 cents and 9.5 cents per share respectively included in the circular dealing *with the acquisition of Stellenbosch Wine Trust Limited ("SWT") dated 19th* December 1975.

The inclusion of the turnover of SWT for the six months ended 31st March 1976 makes the turnover figures reflected in the statement not strictly comparable, but, *excluding the effect of SWT, comparable turnover rose by 16%—a growth rate fractionally* ahead of that of the economy. Margins were not maintained at the levels of those of the previous year mainly because of the increasingly competitive nature of the market place and the effects of the anti-inflation manifesto.

All subsidiaries and divisions increased profits.

ORDINARY SHAREHOLDERS EQUITY

This has increased during the year by R86m. The increase is attributable to the R21m. of retained earnings, R67m. *to the acquisition of SWT less R2m. in respect of sundry* other charges, being mainly the effect of extraordinary items.

FINANCIAL RATIOS

The gearing ratios at 31st March 1976 approximated to those at 31st March 1975 with the ratio of current assets to current liabilities being improved.

FUTURE PROSPECTS

No significant real growth in consumption expenditure is expected in 1976 but the *South African economy* should be *in an upward phase by March 1977. Overall, an* inflation rate between 10%-12% is predicted.

Higher company taxation, increased excise and sales duties and increasing costs are again likely to erode profit margins in what is certain to be a more competitive market place.

The current economic climate calls for restraints and sacrifices on the part of many sectors of the community and your directors believe this is acceptable in the short term in order to ensure longer term growth in a stable economic climate. It is therefore *believed that shareholders should accept that it is unlikely that there will be growth* in earnings per share. However, the Group Management has set the objective of again improving on the past year's results, which, if achieved, will in your directors' view represent a most creditable performance.

2 Jan Smuts Avenue,
JOHANNESBURG, 2001.
12th May 1976.

By Order of the Board,
B. C. WAIGEL,
Group Secretary.

DECLARATION OF FINAL DIVIDENDS

NOTICE IS HEREBY GIVEN THAT at a Meeting of the Board held on 12th May, 1976 the following dividends, in respect of the year ended 31st March, 1976, were declared payable on or about 9th July, 1976 to shareholders registered at the close of business on 28th May, 1976.

ORDINARY SHARES

A final dividend of 7.0 cents per share, which together with the Interim Dividend of 2.5 cents per share paid on 29th December, 1975, represents a total for the year of 9.5 cents per share (last year's total dividend 9.0 cents per share).

PREFERENCE SHARES

Final dividend calculated in respect of the six months ended 31st March, 1976—
6.2% CUMULATIVE, of R2 EACH
A dividend of 6.2 cents per share.

7% CONVERTIBLE REDEEMABLE CUMULATIVE, of R1 EACH
A dividend of 3.5 cents per share.

Maiden dividends calculated in respect of the six months ended 31st March, 1976 —
8% REDEEMABLE CUMULATIVE, of R1 EACH
A dividend of 4.0 cents per share.

7% CUMULATIVE, of R1 EACH
A dividend of 3.5 cents per share.

The foregoing dividends are declared in the currency of the Republic of South Africa.

Warrants in payment will be posted on or about 9th July, 1976 to members at their registered addresses or in accordance with their written instructions and will be despatched from the office of the Transfer Secretaries in Johannesburg to all payees except those to whom payment will be made from the office of the London Secretaries of the company (Barnato Brothers Limited, 27 Austin Friars, London EC2N 2EY).

Any instructions which will necessitate an alteration in the office from which payment is to be made must be received on or before 28th May, 1976.

Payments from the office of the London Secretaries of the company will be made in United Kingdom currency calculated by reference to the rate of exchange ruling on 28th June, 1976 or at a rate not materially different therefrom.

South African Non-Resident Shareholders' Tax at the rate of 12.633% and United Kingdom Income Tax will be deducted from the dividends where applicable.

The Transfer Books and Registers of Members in respect of the shares which are the subject of this notice will be closed from 29th May to 6th June, 1976, both dates inclusive.

2 Jan Smuts Avenue,
JOHANNESBURG 2001.
27 Austin Friars,
LONDON EC2N 2EY.

By Order of the Board,
B. C. WAIGEL,
Group Secretary

12th May, 1976

Glynwed to concentrate on growth areas

[I]N HIS annual statement, the [ch]airman of Glynwed, Mr. L. [F]letcher says it is intended to [a]pply the main bulk of the [gr]oup's working capital in growth [ar]eas and certain activities that [d]o not measure up to require[m]ents of profitability and cash [ge]neration, may have to be [li]mited.

Last year, the management of [ca]sh flow was particularly suc[ce]ssful and this will continue in [19]76, but with increasing empha[si]s on cash generation from [st]able companies in static mar[ke]ts, the chairman says.

As reported on April 15 with [d]etails of a rights issue, pre-tax [p]rofits for 1975 amounted to [£]10.43m. against £15.71m. with a [n]et dividend of 6.75p (6.2783p).

Overall, U.K. profits showed a [fa]ll of 30 per cent. While build[in]g, consumer products and steel [a]nd engineering showed improve[m]ents, steel stockholding and cer[ta]in other operations produced [lo]wer profits or, in some cases, [lo]sses.

Medium and long term borrow[in]gs were reduced at the year end [fr]om £21.5m. to £16.4m. and bank [ov]erdrafts and short term borrow[in]gs were down from £15.7m. to [£]4.8m.

While positive management of [ca]sh materially contributed to the [i]mprovement, other factors [he]lped, including the continuation [of] tax deferment on increased [st]ock values and relatively stable [co]pper prices, says Mr. Fletcher.

Prospects for this year depend [la]rgely on factors outside the [gr]oup's control. Any significant [i]mprovement in the economy [w]ould materially influence the [le]vel of activity the chairman [st]ates.

Meeting Birmingham, June 3 at [..] p.m.

Statement, Page 13

qualified forecast of a general upturn in world trade.

Referring to the company's offer for SW Industries Incorporated of North America, he said that this was en route and that "we look forward to their shareholders' acceptance and completion within a few weeks." He added that "this investment, combined with existing U.S. operations, will result in a more significant and appropriate commitment to the largest and most influential economy in the world."

BTR 'usefully ahead' in current year

Sir David Nicolson, chairman [o]f BTR, told the annual meeting [t]hat with regard to the current [y]ear the value of orders, sales [a]nd profits during the first four [m]onths "have proved usefully [a]head of last year and we antici[p]ate a continuing earnings [g]rowth." He said, however, that [it] was too early to make an un-

Encouraging outlook at Fogarty

IN ITS current year, the E. Fogarty and Co. group (processors of man-made fibres, etc., house textile manufacturers) is continuing to benefit from increased capacity previously provided, and from more recent developments, reports executive chairman, Mr. C. B. Fleet, in his annual statement.

Given the uncertain economic position in the U.K., it is not possible to predict the year's outcome, he says.

But, provided trading conditions do not deteriorate, "the outlook is encouraging and we expect another satisfactory result," Mr Fleet adds.

As known, taxable group profits increased from £421,000 to £856,000 in 1975, and the net dividend total is lifted from 3.388p to 3.899p. Two directors have waived commission due under service agreements totalling £20,000.

The source and application of funds statement shows that overdrafts were reduced by £373,000 (£332,000) during the year.

Meeting, Boston, May 27 at 2.15 p.m.

Friends' Provident

Total funds of the Friends' Provident Life Office last year rose by £47m. to £448m. Premium income increased by £6m. to £51.3m. and annuity considerations by nearly £2m. to £5.9m.

Investment income was nearly £7m. higher at £36.8m. but claims and expenses were £8m. up at £51.7m. New business in 1975 was over 50 per cent. higher than in 1974, with U.K. production being well balanced between ordinary life and pension scheme business. Record new business was achieved for permanent health insurance.

Mr. E. W. Phillips in his chairman's report reveals that at the start of the year the company was investing in equities, but later in the year switched to fixed-interest since it considered the reverse yield gap to be excessive. The yield on the fund moved ahead last year to a record level of 8.86 per cent.

The company had taken the critical but difficult decision to phase out the head office second centre at Edinburgh following the sale of Century Insurance to Phoenix Assurance, a move opposed by the trade union. Mr. Phillips in his report points out that the company must consolidate its head office services in Dorking to achieve the most effective use of resources. The company had introduced a sophisticated life administration system using the considerable resources of its computer development.

Arthur Bell plans capacity output

BASED on the directors' view of future sales prospects, it is planned that the distilleries of Arthur Bell and Sons will continue to produce to capacity during 1976, the chairman, Mr. R. C. Miquel, tells members.

Last year, the group's four Highland Malt distilleries had a total output of 3.87m. proof gallons, showing a 24 per cent. increase over 1974.

The projected sales volumes continue to indicate the need to lay down additional quantities of new whisky for maturation each year, and during 1975 it was necessary to invest a further £6m. in whisky stocks.

The excise duty on whisky was increased in April 1975 and with the group's percentage share of the U.K. market at 18 per cent., the effect of the duty increase was to raise financing requirements by an average of £2m. with a resultant increase in interest costs, the chairman says.

The 1976 duty increase could have a depressing effect on sales in the home market, but with the current heavy investment in promotional activities in the U.S. and other overseas markets, the Board is confident of an increasing share of Scotch whisky sales.

As reported on March 19, pre-tax profits for 1975 advanced from £3.02m. to £4.18m. and the net dividend is lifted from 5.09835p to 5.56143p on capital increased by a rights issue. As known, higher profits are anticipated for the current year.

Meeting, Station Hotel, Perth, June 4 at 12.15 p.m.

Mixed trend at TR

NEW RENTAL business at Telephone Rentals for the first quarter of 1976 is ahead of the comparable period last year but, owing to the cutback in public sector spending in the U.K., new sale business "shows some diminution," reports Mr. E. H. Cooper, chairman.

The company is in good shape to take advantage of any recovery in the economy that may occur towards the end of 1976 or early 1977 and the directors anticipate "further steady progress" in the current year.

There are signs, Mr. Cooper says, that inflationary pressures in some areas are lessening but much will depend on the final outcome of the recent budget proposals. Towards the end of the year the company will be faced with heavy relocation expenses and it is unlikely that any benefits accruing from the disposal of the lease at 197, Knightsbridge, will arise until 1977, he adds.

As known, pre-tax profit during 1975 improved by 6.4 per cent. to a record £7.93m. Dividends total 4.75p net (4.375p). During the year additional rentals secured showed a modest increase over 1974's record results and new sale business showed a 56 per cent. increase.

Meeting, June 9.

Chairman's statement, Page 8

Revenue up at External Investment

Revenue of the External Investment Trust increased from £318,342 to £369,148 in the year ended March 31, 1976, before tax of £173,740 against £147,322.

The net final dividend is 1.5p making a total of 3p compared with 2.7p previously. Net asset value per £1 share is 161.9p (138.1p).

INTERIM STATEMENT

ICI First three months' results

The Board of Directors of Imperial Chemical Industries Limited announce the following unaudited figures of the trading results of the Group for the first quarter of 1976 with comparative figures for 1975.

1975 First Quarter £m	1975 Year £m		1976 First Quarter £m
749	3,129	Sales to external customers	936
73	321	Profit before taxation	115
42	182	After providing for depreciation	45
— 34	— 130	Taxation less investment grants	— 45
7	25	Regional development grants	7
46	216	*Profit after taxation and grants*	77
—	— 5	Extraordinary items	—
46	211		77
— 4	— 24	Applicable to minorities	— 5
42	187	Profit after taxation and grants applicable to Imperial Chemical Industries Limited	72

Certain subsidiaries, mainly in Europe and USA, have changed their accounting year end from 30 September to 31 December. As previously announced the comparative figures for the first quarter and the full year have been restated to reflect this change.

Group sales in the first quarter of 1976 were £936m, some 25% higher than in the corresponding quarter last year. Sales in the UK increased from £311m to £379m (up 22%) and those overseas from £438m to £557m (up 27%). The f.o.b. value of exports for the quarter was £190m—easily a record—compared with £147m in the first quarter of 1975 (up 29%).

The recovery in the volume and value of Group sales, particularly sales in overseas markets including exports from the UK, is continuing and is reflected in the further improvement in the Group profits for the first quarter of 1976. Increasing costs arising in part from the recent fall in the value of sterling will, of course, be felt in subsequent quarters.

The following table summarises the quarterly sales and profits before taxation:

		Group sales £m	Group profit before tax £m
1975	*1st Quarter*	749	73
	2nd Quarter	752	78
	3rd Quarter	768	61
	4th Quarter	860	109
	YEAR	3,129	321
1976	1st Quarter	936	115

The profit before taxation for the year 1975 included a credit of £29m from the conversion into sterling of the net current assets of overseas subsidiaries. Of this, £13m was taken into the profits of the third quarter and £16m into those of the fourth quarter. On the basis of the movements in the exchange rates which have occurred so far this year a credit of a similar amount can be expected for the year 1976, but following previous practice no part of this has been included in the profits of the first quarter 1976. Excluding such exchange gains, the increase in profits in the first quarter of 1976 compared with the fourth quarter of 1975 is therefore £22m.

Pending further consideration of Current Cost Accounting methods it is intended to continue the practice of indicating the effects of inflation on the reported profits using Current Purchasing Power methods. If an adjustment were made on this basis the Group profits before tax of £115m for the first quarter would be reduced by some £50m; this compares with an adjustment of the same amount for the first quarter of 1975 and £245m for the whole of 1975 for the conditions of inflation which existed then.

The charge for taxation in the first quarter of 1976 consisted of £34m of corporation tax, £11m overseas tax and £3m tax on principal associated companies, less a credit of £3m for investment grants.

The trading results for the first half of 1976 will be announced on 2 September 1976.

The Board has decided to raise approximately £200m by issuing 61,758,105 new Ordinary shares to be issued by way of rights to Ordinary stockholders on the register on 29 April 1976, on the basis of one new share for every eight Ordinary stock units of £1 held, at a price of 330p per new share. Full details of the issue, which has been underwritten by J. Henry Schroder Wagg & Co. Limited and S. G. Warburg & Co. Ltd., will be set out in a Circular Letter from the Chairman, accompanied by a Provisional Allotment Letter, which will be despatched during the period 14 to 20 May 1976. The latest day for acceptance and payment in full is Thursday, 10 June 1976.

J. D. COUSIN,
Secretary.

IMPERIAL CHEMICAL HOUSE,
MILLBANK,
LONDON SW1P 3JF.
12 May 1976.

"Unilever and economic development in the Third World."

Unilever capital, skills and experience have a part to play in attaining the objectives of the developing countries. Both official aid and private investment are needed. We do not pretend to invest without the expectation of profit which is the best guide to the most economical use of resources and the main source of investment for the future.

This was the theme of the speech by David Orr, Chairman of Unilever Limited, to this week's Annual General Meeting.

The full text of the speech, including examples of Unilever activities in the Third World, is available on request. Some of the points made were:

"The developing world needs every available resource to cope with its problems, the greatest of which are poverty and the growth of population. Poverty brings with it malnutrition, illiteracy and ill-health for many. The growth of population makes these evils difficult to eradicate."

"... we should not despair. The position is better than it used to be. In 1930, the expectation of life in India was 30 years; today it is 50. Agricultural production in Brazil has risen by 3½% per annum for a generation. Illiteracy was once general; most of the age group 6–11 are now in school. Electricity and water for the village figure prominently in every Five-Year Plan."

"Yet with this progress, there has recently been a new outburst of questioning. Does the development produce the right products? Does it benefit the right people? Is foreign private investment beneficial to the economies of the host countries?"

"In order to achieve the goal of higher production ... agriculture needs to be given a more important place in long-term planning. This is crucial because, while nearly 90% of the growth of world population takes place in the poor countries, it is the rich nations that account for the bulk of the huge increase in food production in recent years."

"The developing countries will have to devote a large part of their own resources to agricultural production; they will also need a great deal of outside help. They need official aid and foreign private investment to supplement their own efforts in accordance with agreed priorities."

The Annual General Meeting

The Report and Accounts for 1975 were adopted.

A final dividend for the year ended 31st December, 1975 of 8.43 pence per 25p ordinary share of Unilever Limited was declared, payable as to 6.38 pence per share on 24th May, 1976 to shareholders registered on 23rd April, 1976; and as to 2.05 pence per share at a time or times to be determined by the Directors to holders of ordinary capital now in issue registered at the time of payment. The figure of 2.05 pence per share will be subject to adjustment in the event of a change in the rate of Advance Corporation Tax.

The existing Directors were re-elected, and Mr. G. K. G. Stevens was elected a Director of the Company. The Auditors were re-appointed.

Mr. J. B. Higuett, on behalf of the shareholders, proposed a vote of thanks to Mr. Orr, Directors, Managers and Staff. In reply the Chairman said:

"Your remarks about our managers and especially those in the United Kingdom are very much appreciated. Their loyalty, hard work and skill is critical to the continued success of Unilever. This is no less true of our country as a whole. The contribution of Britain's managers is critical to achieving the economic miracle that Mr. Healey has forecast. Yet there is no other country that has treated its managers with such studied disregard.

"Our managers work long hours and must make decisions affecting the prosperity of millions of working people. In return, their efforts are constantly denigrated. They are accused of being lazy and inefficient and, by implication, to be 'on the make'. Nothing could be further from the truth in Unilever. Nor do I believe this to be the case in the rest of British industry. Managers have seen their differentials eroded, their incentives removed and a massive decline in their real income.

"They know that inflation must be beaten and will support the measures to defeat it. They know that this means making sacrifices. They are as ready as any other section of the community to make those sacrifices. But they undoubtedly feel they are carrying more than their fair share of the burden. They need some sign of understanding. Instead of the pinpricks of the Finance Bill, I would like to hear the Chancellor announce that as soon as the country's circumstances permit, he will do something to lift the crushing burden of taxation on those who take heavier responsibilities. That would do wonders for morale."

A statement on wages and conditions of African workers employed by Unilever companies in South Africa has been published. Copies can be obtained from the address below.

The Annual General Meeting of Unilever N.V. took place in Rotterdam on the same day. Mr. H. F. van den Hoven, Chairman of Unilever N.V., presided and delivered the same speech as Mr. Orr in London.

"... there is discussion of a new economic order which appears to leave little room for foreign private investment, let alone a proper incentive."

"Despite the international uncertainty, our experience in Unilever leads us to believe that we should go on investing in those countries where we are welcome."

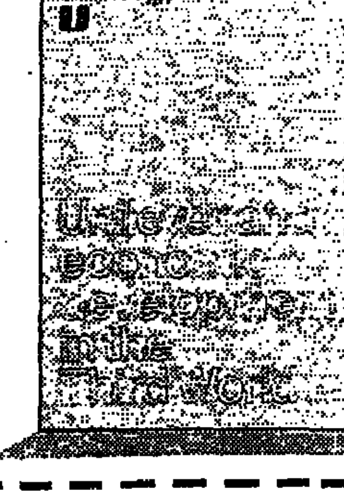
"Obviously the most important contribution we can make ... is to produce and market our production in the ways most suited to the conditions of the country. Next most important ... is the training of our people and the automatic transfer of know-how this involves. The companies we manage in these countries employ some 100,000 people, including some 3,000 managers."

"Our operations make other contributions, too. We may make a saving of foreign currency, have an effect on the nutrition and diet of the population, raise standards of hygiene, provide employment and act as a customer, a stimulus or a model for local industry."

"We do not pretend we invest without the expectation of profit. Indeed, it would be wrong for us to do so. Profit is the best guide to the most economical use of resources, and the developing countries cannot afford to waste resources. Profit is the main source of investment for the future; and investment is vitally needed if their structural problems are to be solved."

"In attaining the objectives of the developing countries, therefore, we believe the capital, skill and experience of Unilever, have a part to play."

Unilever



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BOOKS

Doctor in the house

By C. P. SNOW

A New Life Of Anton Chekhov by Ronald Hingley. Oxford. £8.75. 358 pages

Of eminent writers, who would you like as an intimate friend? If you have grown up, you will want someone with the unassuming virtues, who is, within the human limits, kind, patient, not too self-absorbed, interested, moderately honest. If you know any literary history, you will realise that the choice is not wide. There are occupational hazards in the writing life, and writers do not find it easy to be comparatively decent men. So one couldn't with complete confidence produce many answers to the initial question. My own first three would be Walter Scott, Anthony Trollope, Anton Pavlovich Chekhov.

About Chekhov's eminence as a writer, there is of course no doubt. In the short but wonderful explosion of 19th-century Russian literature, he is one of the great glories—perhaps not quite as exalted as Pushkin, Gogol, Tolstoy, Dostoevsky, but more than standing comparison with anyone else. He was himself one of the best critics of Russian literature, and also one of the least megalomaniac of writers, and would probably have thought that that classification overrated him. (He wouldn't have approved of Dostoevsky being included among the greatest geniuses. Chekhov's taste was restrained and classical, and he hadn't much use for Dostoevsky. He might have felt the same about Solzhenitsyn's writing, and for similar reasons.) A good many Russians would consider that the classification underrates Chekhov, and that he belongs among the supreme Russian masters.

As a man, he has come to be regarded as one of the saints of literature. He knew himself too well to have tolerated that. So far as we can use the term, he was a good man. But it took him effort, and it often didn't come easily. There were episodes in his behaviour which he must have wished away. It is one of the great merits of Ronald Hingley's book, by far the best biography of Chekhov in English, that he strips away the saccharine coating from the Chekhov legend. He leaves us with a man who is credible as well as admirable, and that is a nice change. Dr. Hingley has put all Chekhovians in his debt long before now, with his edition of the Oxford Chekhov translations. This is a culminating service.

I have only two doubts. Dr. Hingley cannot resist occasional references to Chekhov transplanted to modern Russia, and immediately arranging himself, without qualification, among the dissidents. That seems a piece of romantic misunderstanding, quite unlike Dr. Hingley's general temperate attitude. Chekhov was a cool customer, abnormally sensible as well as wise. He was as independent minded as is given to man to be. He would have detested the restrictions of non-literary pressures—not only the pressure to conform but the pressure not to conform. He would have known, better than any Westerner, the limitations of living inside the Soviet reality. In actual operation, since he was a practical man, used to a doctor's impulse to do little things when it is impossible to do big ones, he would probably have behaved rather like Tvardovsky. If he had been in his prime between 1956 and now, it could hardly have helped being good for Soviet literature—and also for the rest of us.

The second doubt is more subjective. The factual part of the biography is as good as it could be, and splendidly instructive, not only about Chekhov, but about the entire Moscow-Petersburg literary scene at the end of the 19th-century. The criticism of Chekhov's art, however, though professional and adequate, does not seem particularly intuitive. A good many of us, growing up in the 1920s, will remember the impact of William Gerhardie's short book called Anton Chekhov. Gerhardie had many advantages, including living his early years in Petersburg in a milieu remarkably like one that Chekhov might have reported: and he had a delectable talent which responded hand-in-glove to Chekhov's. I have heard Russians say that no Westerner has ever understood Chekhov, and above all Chekhov's humour, anything like so well. Incidentally, since Gerhardie, like Chekhov, throws off his best critical perceptions in casual asides, his subtlest and funniest comments on Chekhov occur, not in his more formal treatment, but in *Memoirs of a Polyglot*. Dr. Hingley could have got something out of that remarkable work.

Chekhov was the grandson of a serf, who contrived to buy his freedom and establish his family in something roughly equivalent to our lower middle class. Chekhov's father was an opinionated but unsuccessful shopkeeper. None of this gave Chekhov any kind of snobbery, either inverted or otherwise. He knew who he was. He could get on equal terms with anyone. He knew human beings were much the same anywhere.

It wasn't difficult in Tsarist Russia—but only if you achieved a high school education, which was extremely difficult—to get paid for at a university. Chekhov went to Moscow and trained as a doctor. He was fond of saying that medicine was his wife and literature his mistress: but Dr. Hingley demonstrates that the remark is, at least in financial terms, misleading. It was the mistress who kept him, both before and after he qualified. Dr. Hingley hasn't been able to guess how much Chekhov ever earned from medical practice, but it must have been infinitesimal. He did it out of duty and a kind of calm unsentimental love.

Quite rapidly he made a living from writing, but in a singular fashion, even odder than that of those who began, like Balzac or Simenon, as journalistic hacks. Chekhov wrote short facetious pieces, most of which sound dreadful, for comic magazines such as *Oskolki*. These were about subjects which would have brought the house down in an English music hall of the period—mothers-in-law, drunken men. Dr. Hingley, who has a pleasant turn of humour, gently points out that this was a curious beginning for a young man who was to develop into the most delicate and sophisticated humorist of the age.

Chekhov: compassionate humorist

In his middle twenties he was producing the first of his great short stories, and from then on, with a few vicissitudes, such as the catastrophic first night of *The Seagull* in Petersburg (soon afterwards compensated for in Moscow), his literary career went more smoothly than most. At thirty he was recognised as the major prose writer at work in Russia. Tolstoy had long before abdicated from creative writing. Gogol had not yet appeared. Chekhov, whose relations with his colleagues were easy and generous, got on well with both—though it seems a little ironic that he congratulated himself on introducing the young Gorki to women.

The young Gorki, or the old Gorki either, didn't much need that assistance. Chekhov probably did. Just as his total temperament was cool, so was his sexual one. He was, in a remote way, fond of women. He wasn't impotent, but the sexual impulse seems to have been rather weak. He married Olga Knipper, one of the leading ladies in the plays of his final years when he was forty and already gravely ill with consumption. Many women pursued him, but they may all have been too demanding, not subtle or acute enough to find the key to that elusive nature.

Still, only adolescents expect that you can have a nature of beautiful serenity without paying a price for it. He was a writer of genius. He was a man of absolute integrity. In a quiet way, he was great fun. If, as a correlative, he was sometimes cooler than was comfortable, he didn't mind, and nor should we.

Actor into painter

BY PETER QUENNELL

Walter Sickert, A Biography by Denys Sutton. Michael Joseph. £10.50, 272 pages.

In 1934, Virginia Woolf records, her old friend Walter Sickert came to tea wearing a green peaked cap "and sang a few bawdy songs over his cake, smoked a cigar and exclaimed against the criticism of Clive and Roger," announcing that neither Bell nor Fry "knew a picture from a triangle," but kissing Virginia's hands and applauding her angelic qualities. Sickert was then 74; and he had been the *enfant terrible* of modern English art for the previous 50 years, having in 1880 left the stage (where he had often acted under Irving) and, about the same time, joined the court of Whistler, the only painter alive, he declared, who possessed "immense genius."

He became Whistler's assistant and his favourite protégé; and in 1883 he was entrusted with the delicate commission of transportings his friend's "Portrait of his Mother" across the Channel to the Salon. Their friendship, one of the most valuable he ever made, lasted until 1895, and only broke up because Whistler suspected—quite unjustly—that Sickert had taken the side of his arch-antagonist Sir William Eden, and dashed off a peculiarly venomous postcard comparing his pupil to Benedict Arnold, even to Judas Iscariot himself.

Another and much more faithful friend was Degas, whom he had met on his early visit to Paris, and who remained his greatest idol; for he admired the French artist both as a master of his art, endlessly subtle and perceptive, and as a wit and an acute observer:

I watched him . . . one day [he wrote] when he was glazing a painting . . . by means of a big flat brush. It represented a lady drifting in a picture gallery. He said that he wanted to give the idea of that bored, and respectfully crushed and impressed absence of all sensation that women experience in front of paintings.

Frequently Sickert accompanied Degas on long omnibus-rides around the streets of Paris. He hated cabs, the older man explained; "*on ne voit personne. C'est pour ça que j'aime l'omnibus. On peut regarder les gens. On est fait pour regarder les gens. On est fait pour se regarder les uns les autres, quoi?*" Of Sickert's own attitude towards the world, could there be a better summing-up? "*Regarder les gens*" was at once his main pleasure and the mainspring of his talent. He had an eclectic mind; and among the artists he loved and followed were two popular draughtsmen, Gavarni and Charles Keene, each of whom had given a brilliant literal account of contemporary urban life. During his later period, when he sometimes borrowed from photographs, Sickert grew more and more a realist. "I have always been a literary painter," he cried, "thank goodness, like all decent painters"; and he became increasingly fascinated by the raw-material that a modern newspaper provides.

Denys Sutton's biography of Sickert is the first full-length study that has yet been published—two monographs written while he was still alive, by Lillian Browse and Wendy Baron, are necessarily incomplete. With painstaking thoroughness it covers his life and work, and analyses his strangely protean character. Sickert was of mixed descent: his mother being the illegitimate child of an Englishman, the Reverend Richard Sheepshanks; his father, the painter Oswald Adalbert Sickert, a native of the Baltic coast. He had a happy childhood amid artists and intellectuals; and his apprenticeship to the stage, on which his most successful part is said to have been that of the Ghost in *Hamlet*, much increased his versatility. Hence the bewildering succession of rôles he adopted, his wild humour, his conversational gusto and his bohemian taste for dressing-up. Sickert's emotional career was equally bold and varied. He married thrice, one marriage ending in divorce, the second in death, the last, when he was already a veteran, in a happy and secure alliance. Other romantic attachments included actresses, ladies of fashion and a Dieppe fishwife, Madame "Titine," a splendid creature, mother of his scapegrace boy, who had "flaming Venetian hair and milky freckled skin."

Denys Sutton's biography is a storehouse of absorbing information. It gives us a vivid portrait of the man, helps us understand his ambiguities, and, at the same time, establishes his artistic relationship to the age in which he worked and lived. Though he produced some enchanting townscapes—particularly those of old Dieppe—and one or two admirable portraits—for instance, his excellent sketch of George Moore—"he was not," Denys Sutton suggests, "a major painter in a world sense: but as far as concerns the national School, he was the ablest and most original artist of his generation." He was also a skilled reporter. Like Dickens he relished the grotesque and absurd; like Hogarth he could never resist a story. Sickert's illustrations of late-Victorian London can afford to stand beside Hogarth's Georgian series. His glimpses of pubs and music-halls, of crowds, street-walkers, and squalid back-bedrooms, have a similarly dramatic light-and-shade.

Plague spots

BY DR. DAVID CARRICK

Man, Environment and Disease in Britain by G. Melvyn Howe. Penguin, £1.25. 302 pages

Throughout history, medical and lay men have formulated theories concerning their health and, more urgently, their diseases, particularly when the latter have afflicted large numbers and caused widespread suffering and death.

Before the great era of the bacteriologists, plagues and pestilences were believed to be due to a wide variety of causes. Among the more common notions at various times were: the anger of a variety of gods; arrows shot by elves; peculiar movements of the stars; fogs and noxious vapours; miasmas brought by comets; and the poisoning of drinking water by the unfortunate Jews acting, it was believed, as agents for Satan.

Even to-day, in a very knowall age, ideas concerning the causes of as yet mysterious and so unconquered diseases tend to be polarised in the direction of single causative factors, the elimination of which (according to the obsessional proponents) would solve the problems. The author of this thoughtfully contrived and thought-provoking book, who is an international authority on medical geography, has set out to explore not one but all the known factors which may be involved in the development of disease. Thus he begins with a brief outline of Britain's racial history from Mesolithic times so as to discover any possible hereditary factors that may be of importance. Then he considers the effect of many different environments which may have a deleterious influence and so promote disease in man. But the greater part of the work is concerned with illustrating, by words, maps, diagrams and plates, the relationships of people, the environment prevailing, and disease, at selected stages in British history.

Great attention has been paid to major epidemics of plague, typhus, smallpox, cholera and influenza, all of which have been researched and documented in a masterly manner. Although these diseases are now known to be due to specific organisms, the author makes some interesting comments which lend support to criticism of the researcher who considers but one aspect of his problem simply because the major cause is well understood.

Take plague, for example. For some 90 years it has been known that the causative organism, *Pasteurella pestis*, is harboured in a flea (*Xenopsylla Cheopsis*) which is itself a tenant of certain animals, *rattus rattus*, the black rat, in particular; and that it only goes to man when its favourite host is dead. Thus the man who is bitten and injected with bacilli will probably develop bubonic plague. But for an epidemic or even a pandemic to develop a concatenation of circumstances is demanded. An increase in *rattus rattus*; an increase in *xenopsylla cheopsis*; an increase in *Pasteurella pestis*; correspondingly bad sanitary conditions plus the right climatic atmosphere for breeding and mobility of the insects; and, perhaps, other unknown factors are required. Thus the seed, the soil, the climate and the opportunities must all come right together, the very matters the author scrutinises.

As Professor Howe considers the effects of locality, of climatic variations, water supplies, atmospheric pollution, housing and diet, in an holistic and objective manner, the work is not only of value to epidemiologists, sociologists, and those concerned with industrial health, it is also of interest to intelligent individuals in all walks of life. For, apart from its technical merit, the book has the virtue of being very interesting, largely because the author is a gifted writer with as keen an understanding of language as of his own speciality.

Cloistered lives

BY ISABEL QUIGLY

Nuns by Marcelle Bernstein. Collins, £4.95. 361 pages

Nuns, I believed when I started my ten-year stint as a convent schoolgirl, had no legs, their feet being merely propulsive appendages to their skirts; nor did they eat, drink, or sleep, but lived lives angelically incorporeal. Their way of life in those far-off days encouraged such a view of them, for no outsider saw them eat or drink, their clothes gracefully blurred distinctions of age or build, their veils hid greying hair, and they lived in a part of the building where nobody else set foot.

Not any more. "Although it is Sunday, Liz has half a dozen rollers in her hair," writes Marcelle Bernstein of an American nun. "She is wearing a tiny flowered bra top, knee-length green Bermudas over an ample bottom, and flip flops. Her toenails are painted, she wears pretty rings, and drives much too fast." Not only that, "she has a great many men friends, says she falls in love at least once a year, and has had several marriage proposals." Admittedly this is in California, at the furthest edge of the western world, both physically and spiritually, where you can expect extremes of behaviour in pretty well everything. But even in Tunbridge Wells, we hear, a nun to-day may be "a tousled girl in jeans and baggy sweater" who "dashes in, jangling car keys."

Nuns, in other words, have changed their appearance, and with it their life-style and aims, dramatically in the last few years: and Marcelle Bernstein, a total stranger to convent life, approached the subject of the present-day nun with a fresh eye, an open mind, and a great deal of sympathy. The result is a book which is good as far as it goes—and that, of course, is not very far. I say "of course" because you cannot, in a medium-sized book, cover a vast subject across two continents and to some extent historically without spreading it all rather thinly.

Nuns is about Christian, western nuns, mainly Roman Catholic, American and British, but with sallies into Anglican orders, across the Channel, and into the past. A formidably large subject: and a book of this length on, say, education or medicine stretched as widely in space and time would not go very far either. And *Nuns* is not just about the structure of the religious orders or the organisation of their life but about the spiritual attitudes that produce it, the impulses that drive women to take vows of poverty, chastity and obedience, the psychic difficulties, the frustrations, the social order, the joys, the contentment, indeed the lot.

Two cheers for Miss Bernstein, then, for entering the closed world of nuns and writing a book that is well organised, generally interesting, and gets its terms right. But of course she merely scampers about on the fringes of it: a paragraph about this or that order, a sentence or two on this or that whole way of life. Not her fault, but the subject's. From the ancient contemplative orders in rural peace to tiny groups working in slums with no formal organisation, or to mixed groups of lay people and religious sharing goods and life style, some married and with children, others vowed to celibacy: with this range of difference, with this huge, complex subject, what could anyone do in the space available but fling down a few facts, hazard some opinions, gather a few threads together?

It is all pleasantly and brightly done by a competent journalist, and curiously it touches on aspects of modern life that most people may not associate with the religious. For while entries to the conventional religious orders have declined sharply, the call to some sort of communal life, some sort of service and simplicity, is increasingly heard—and not necessarily by those who acknowledge religious beliefs. The commune and the community are often much nearer to each other than outsiders to either might think.

Fiction

Changelings of the Church

BY MARTIN SEYMOUR-SMITH

Silence by Shusaku Endo. Translated from the Japanese by William Johnston. Peter Owen. £4.25. 306 pages.

The Poisoned Kiss and Other Stories from the Portuguese by Fernandes/Joyce Carol Oates. Gollancz. £3.50. 189 pages

Some Touch of Pity by Rhoda Edwards. Hutchinson. £3.95. 336 pages.

Harkfast by Hugh C. Rae. Constable. £3.25. 227 pages.

The Four Swans by Winston Graham. Collins. £3.95. 409 pages.

As is well known, there was a so-called "Christian century" in Japan. It lasted from 1549, when the Basque St. Francis Xavier landed there, until 1614, when systematic torture and persecution of missionaries and of Japanese Christians began. In 1632 the Portuguese leader of the mission, Ferreira, apostatised after several hours of torment. He then worked for the Japanese against the Christians. In 1637 Japan was closed: only the Chinese and the Protestant Dutch were permitted to engage in limited trade. But secretly-organised Christianity persisted in the area of Nagasaki.

In 1643 a small group of missionaries, including Giuseppe Chiara (the Sebastian Rodrigues of *Silence*), landed. When captured they, too, apostatised. History records that all revoked their apostasy—and that Chiara some forty years later, died professing his Christianity. Chinese sources even state that Ferreira himself died a martyr's death. At all events, Christianity never altogether died out in Japan.

When the Roman Catholic Shusaku Endo's *Silence* was published in the mid-1960s it was among Japanese Christians, Protestant and Catholic, that it aroused controversy. For this novel, described by Graham Greene as "one of the finest of our time," does not—as one might expect—take advantage of the historical probability that all, or almost all, the missionaries revoked their apostasies.

This story of Rodrigues (Chiara), his capture, his meeting with Ferreira, and his subsequent apostasy without physical torture is impressive, moving and strangely convincing. It reflects both the author's attachment to the "symphonic" nature of Catholic Christianity and his criticism of the way it is preached—not only in the "Swamp of Japan," which defeats it, but also in the West.

Rodrigues is faced with this dilemma: would his Jesus Christ allow the Japanese Christians to suffer (as the authorities make them do so long as he remains adamant)—or would he himself apostatise? He is not sure, either, whether what Ferreira tells him is not right: that the Japanese Christians "call by the name of God something which has the same kind of existence as man."

When he has trodden on an image of the face of Christ, as he is required to do, and gone into the service of the Japanese Government, he nurses a secret faith: "I know," he tells himself, "that my Lord is different from the God that is preached in the churches." In the last analysis, then, Shusaku Endo is questioning the whole Hellenistic tradition of Christianity—and this means that of St. Paul, even though he is never mentioned.

But, as he himself protested, he is writing literature and not theology. *Silence*—the reference is to the "silence of God" which Rodrigues only later, and paradoxically, learned in his apostasy was not a silence—is dramatic, psychologically impeccable and powerful. The portrait of the Kichijiro, a "Judas" figure, is particularly memorable. The translation (which originally appeared in America seven years ago) is excellent, as is the translator's introduction.

Joyce Carol Oates, whose writing is often described in suspiciously superlative terms ("astonishing," "prodigious" and so on), published the stories in *The Poisoned Kiss* as being translations from a Portuguese, "Fernandes." But, as she explains in an afterword, he does not exist except in her own mind: she is not interested in Portugal and has not visited it (this is apparent), yet in 1970 she began "to dream about and to sense, while awake, some other life, or vision, or personality . . ."

Her mind swerved or leaped into "Portugal" if she did not concentrate on her "own" writing. She has tried to explain to herself what happened, and has even read "voluminously" in the occult: but she cannot. I do not question Miss Oates' sincerity: but these stories differ from her other work only inasmuch as they show the influences of Karen Blixen, Isaac Bashevis Singer, Borges and other, mainly Latin American, writers. The writing, parabolic or tormented, is superficially very good: but its stridency hides (for me, at least) an emptiness.

Some Touch of Pity is a historical novel about Richard III who owes much of his evil reputation to Shakespeare's play. It is told in the voices of several personages, including the King himself. It is the best researched fictional or semi-fictional defence of him (the late Philip Lindsay's must be one of the most hysterical books ever written), and is eminently readable: if it fails to convince historically, in making out Richard to have been a King with a 19th- or 20th-century conscience, then this is because of the difficulties inherent in the form.

Rosemary Sutcliff gave high praise to *Some Touch of Pity*; *Harkfast* is dedicated to her. Both novels owe something to her, and both cleverly (and understandably) seek to evade the problems of historical recreation by resort to a mannered prose. But Hugh C. Rae, in this tale of Celtic magic in Britain after the Roman departure, is highly professional and confident. The Druid Harkfast seeks to raise and control dead heroes in order to unite the scattered tribes. This is not a profound or visionary book, but it is a strongly written and vivid one; the author's clear-cut picture of Celtic ritual and his narrative skill will appeal to all readers of fiction set in this period.

Of *The Four Swans*, the sixth "Poldark" novel, it need only be said that it maintains the pace—or, as the publishers appropriately put it, "like life itself move[s] irresistibly on."

Royal flush

King and Joker by Peter Dickinson. Hodder and Stoughton. £3.40. 222 pages

Of current writers of crime fiction, Peter Dickinson surely has the most original mind, the most fertile and quirky imagination. After writing a mystery whose heroine was a primate (the animal kind, not the ecclesiastical), now he sets his tale among royals. The background is this: the Duke of Clarence, poor Prince Eddy, didn't die in 1892 (and he wasn't Jack the Ripper, either). He married dear May Teck, who made a man—and king—of him, and he produced issue. Now reigning is his grandson, Victor II (b. 1930), married to the Spanish princess Isabella (whose accent the author charmingly reproduces), and father of two: the bearded Prince Albert of Wales (b. 1957) and his younger sister Louise, from whose point of view the story is seen. The poor royals are the victims of jokes that get progressively nastier, until a murdered body is found on the throne. HRH Princess Louise helps sort it all out, thanks also to a splendid antediluvian Nanny, who is a mine of wisdom, royal lore, and emphatic clichés. A wry, witty, irresistible book that should melt the heart even of William Hamilton.

WILLIAM WEAVER

French queen

By JULIA DOBSON

Henrietta Maria by Elizabeth Hamilton. Hamish Hamilton. £6.95. 290 pages

The Civil War and the personalities involved, have always held a great fascination for historians. Elizabeth Hamilton has now joined the ranks with a new biography of Charles I's controversial Queen. In this readable and well-researched book, Elizabeth Hamilton does not throw any new light on the life of Henrietta Maria, but in retelling the story she makes good use of amusing details.

A childhood spent in the frivolous atmosphere of the court of Louis XIII whose favourite pastimes were hunting, playing with cards, birds and making marzipan, did not stand Henrietta Maria in good stead for the trials that lay ahead. It was not surprising that when she came to England as a young bride she behaved like a spoilt child. In the beginning her relationship with her husband was strained by religious differences—a situation which the King's favourite the Duke of Buckingham did his best to exploit. But the Duke was assassinated, and the King and Queen fell in love.

In the decade that followed, their domestic bliss was reflected in the growing number of their children.

Henrietta Maria began to exercise a well-meaning but misguided influence over her husband which became most harmful in the war, when she continually exhorted him not to give in, not to listen to weak councils, and not to make peace. Even after the King's death, she could not resist trying to dominate her children. Though she lacked political acumen she was very courageous, and faced up to the humiliating circumstances of her exile with remarkable fortitude. She returned to England for Charles II's coronation, a chastened and much wiser woman.

It was a misfortune that the Queen's best qualities—her devotion to her husband, her deeply held religious views, and her loyalty to her friends should have been so open to general misinterpretation.

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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Slightly easier in reduced trading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 12.

A SLIGHTLY easier tendency developed on Wall Street to-day, reflecting the Stock Market's failure in two attempts yesterday to break through the year's closing high at 1011 on the Dow Jones Industrial Average.

After opening a further 2.12 down at 1004.49, the Industrial Average finished at 1005.67, for a net loss of 0.94. The NYSE All Common Index gave way 10 cents to $54.74, while declines led advances by 807-to-612. Trading volume, however, sharply decreased by 3.08m. shares to 18.51m.

Brokers added that the Stock Market was held back also by rising short-term interest rates and fears of some economists that inflation will re-heat by the end of the year and the economy might be gaining too quickly.

Eastman Kodak surrendered $¾ to $103¼, but Polaroid firmed $¼ to $35¾—the two firms are engaged in a legal battle concerning their activity in the instant photography field.

National Presto Industries fell $1¼ to $64½ and Superior Oil dipped $1¼ to $153.

But Texas Instruments climbed $¾ to $123¼—an Army award for the development of a night vision gunsight has a potential worth of several hundred million dollars.

Nucor picked up $1¾ to $30¼—it expects 1976 earnings to equal, Fluor advanced $2¼ to $36¾.

ASA were down $1 at $23 on Press reports that South African Gold Mining shares face sharp dividend cuts this year.

Basic moved ahead $1½ to $11¾ on higher first quarter net earnings.

Northrop were lifted to $39½ on a raised dividend, forecast 1976 sales "significantly" over $1bn. and confirmed it is discussing with Iran possible exchange of aircraft for oil.

Teledyne put on $¾ to $60¼—it expects to top last year's second quarter net of $1.35 a share.

THE AMERICAN SE Market Value Index rose 0.26 to 105.01, but declines led advances by 316-to-287.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Pan Amer. Air.	359,100	5½	−⅛
Litton Industries	426,600	17⅛	−⅛
Fed. Nat. Mort.	257,300	14¼	+⅛
Texas Utilities	239,100	19⅛	—
Best Prod. new	231,100	16¾	−⅛
Middle S. Ut.	229,400	14	−⅛
Boeing	225,300	35	+⅛
Transco	210,200	12⅛	−1
Champ. Int.	193,300	24¼	−⅛
Olin	150,000	38¼	+⅛

OTHER MARKETS

Canada holds firm

Canadian Stock Markets held firm in active trading yesterday.

The Industrial Share Index moved up 1.54 to 196.31, Base Metals 0.72 to 91.10, Western Oils 2.73 to 242.73 and Utilities 1.69 to 145.44. But Golds lost 1.07 to 289.18, Papers shed 0.20 to 126.02 and Banks eased 0.08 to 247.17.

Interest continued in Western Oils, while Commercials, Chemicals and Foods also made good gains.

Abbey Glen Property were up $¾ at $6¾ on 90,550 shares—Genstar is considering a take-over bid.

PARIS—French shares generally slipped back, although the majority of Chemicals, Foods and Textiles improved to some extent. Brokers cited continued hesitation over the impending imposition of Capital Gains Tax, noting that the market had not taken into account the lowering of the Call Money rate by a quarter of a percentage point to 7½ per cent.

Electricals led most sectors down, while Constructions, Hotels and Stores were mixed. Chemicals were steady.

Foreign issues were practically all declined, apart from unchanged British stocks.

AMSTERDAM—Dutch Internationals were lower, with the exception of Royal Dutch which firmed Fls.1.10 ahead of its first quarter figures due to-day.

Banks and Transportations were generally lower, while Insurances were mixed.

Ennia held unchanged at Fls124 after announcing it expects a higher profit per share this year.

State Loans were easier.

BRUSSELS—Generally lower in continued quiet trading.

Steels gave ground, Metals were stronger, Chemicals mixed.

Solvay shed Frs.30 to 2,475 on net profits of Frs.1,227m. (Frs.2,974m.).

German and most U.S. stocks were lower. Dutch issues steady. Canadian stocks rose, while Gold Mines fell.

GERMANY—Broadly lower, partially attributable to growing apprehensions about the strike in West Germany's printing industry.

Banks were lower, Electricals weaker, Chemicals generally declined, Motors lower, as were Machine Makers. Steels declined, while Metals were mixed to lower.

Minings remained neglected, Utilities lost ground, Stores were generally lower, while Breweries were steady to lower.

Bayer shed DM1.8 to DM138.7, although it said 1976 results will be "much better" than 1975.

Domestic Bonds were mostly weaker in uncertain trading. Demand was strong for Bonds with high interest rates and the Regulating Authorities sold DM12.5m. nominal of stock. Foreign Mark Loans were well maintained.

SWITZERLAND—Mixed in brisk trading.

Insurances advanced, but other sectors were mixed.

Bally weakened Frs.60 to Frs.1,360 after it explicitly denied takeover rumours.

Georg Fischer declined Frs.15 to Frs.625 on its dividend omission for 1975.

State Bonds fluctuated narrowly. Dollar stocks were mixed in a moderate turnover. Dutch Internationals drifted lower, apart from slightly firmer Royal Dutch, while Germans generally lost ground.

COPENHAGEN — Narrowly mixed in fair dealings.

VIENNA—Irregular in featureless trading, with Constructions and Breweries neglected.

OSLO—Banks were steady, Industrials irregular, Shippings barely steady, while Insurances were little changed.

MILAN—Market eased over a broad front in quieter trading.

All leading Industrials fell, as did major Banks, Insurances and Financials.

Bonds moved within narrow limits in quiet dealings.

TOKYO—Generally lower on warning signs concerning wholesale prices. Volume 200m. (same) shares.

Talk of another crude oil price increase led the wholesale price news, and the Bank of Japan echoed Tuesday's statement by the Economic Planning Agency that the wholesale price trend should be watched.

Reports that Steelmakers will seek a price boost continued, and a leading Japanese Titanium Oxide producer announced a price increase.

In addition, Aluminium users were reported to be agreeing to price increases by suppliers of the metal.

Light Electricals, Motors, Cameras, "speculative" Pharmaceuticals, Chemicals, Ceramics and Steels declined. But Oils and Shippings moved up.

Clarion lost Y6 to Y460, despite an earnings gain. Nippon Piston Ring gained Y27 to Y240, and Diesel Kiki added Y22 at Y402.

HONG KONG—Lower in light trading.

Hong Kong Bank lost 10 cents to $HK19.90, Hong Kong Land 5 cents to 7.45, Hutchison 5 cents to 2.925, Swire Pacific "A" 5 cents to 9.45, Wheelock "A" 7½ cents to 2.30, Hong Kong Electric 2½ cents to 4.10, China Light 20 cents to 22.00, Hong Kong Telephone 10 cents to 21.10, Kowloon Motor Bus 5 cents to 3.70, and Hong Kong and Kowloon Wharf 10 cents to 17.20.

JOHANNESBURG—Gold shares were easier in line with the lower bullion price, but business was small. "Heavyweights" lost up to 30 cents, while "marginal" and "speculative" issues shed up to 20 cents.

Uranium Producers were lower, with Randfontein off 30 cents to R25.0.

Financial Minings also were easier.

AUSTRALIA—Resource stocks had another good day, although market interest tended to be more broadly based and as a consequence price movements were not dramatic.

Anticipating a Government statement about the future of the Ranger Uranium project Peko-Wallsend Mines moved up 12 cents to $A5.86 and its Ranger partner EZ 8 cents to $A3.98.

Beach Sands Mines got some support and Robe River were active and firmer in Iron Ores.

Although Ampol Explorations eased 3 cents to 5 cents, Oils market in general firmed.

Indices

NEW YORK—DOW JONES

	May 12	May 11	May 10	May 7	May 6	May 5	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	1005.67	1006.61	1007.49	996.22	989.55	986.46	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
Home Bonds	72.49	72.57	72.57	72.78	72.88	72.82	75.60 (22/4)	69.11 (2/1)	—	—
Transport	220.28	220.91	218.58	214.15	212.41	211.55	220.91 (11/5)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	87.58	87.46	87.53	87.87	87.86	87.42	91.90 (4/3)	84.84 (2/1)	163.32 (20/4/65)	10.58 (28/4/42)
Tr'ding vol. 000's	18,510	25,590	22,760	17,810	16,200	14,970	—	—	—	—

	May 7	April 30	April 23	Year ago (approx.)
Ind. div. yield %	3.72	3.70	3.69	4.54

STANDARD AND POORS

	May 12	May 11	May 10	May 7	May 6	May 5	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	115.69	115.77	115.97	114.56	115.72	115.40	118.67 (24/3)	101.64 (2/1)	134.54 (11/1/73)	6.52 (30/6/32)
†Composite	102.77	102.95	103.10	101.88	101.76	100.88	105.51 (5/4)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	May 5	April 28	April 22	Year ago (approx.)
Ind. div yield %	3.44	3.33	3.28	3.76
Ind. P/E Ratio	13.68	13.83	14.00	10.35
Long Govt. Bond yield	5.60	5.58	5.49	6.14

N.Y. S.E. ALL COMMON.

May 12	May 11	May 10	May 7	1976 High	1976 Low
54.74	54.84	54.90	54.26	55.20 (16/4.76)	37.06 (2/1/75)

Rises and Falls May 12

Issues Traded—1,859 Up—612

Down—807 Same—440

New Highs—65 New Lows 9

MONTREAL	May 12	May 11	May 10	May 7	1976 High		1976 Low	
Industrial	—	—	204.28	205.60	205.67	(25/2)	179.82	(5/1)
Combined	—	—	196.60	196.84	198.47	(24/2)	178.87	(5/1)
TORONTO Industrial	198.31	194.77	193.44	192.92	197.45	(20/2)	173.01	(2/1)
JOHANNESBURG Gold	205.8	207.8	205.7	199.4	226.7	(12/5)	174.4	(5/4)
Industrials	212.1	212.8	212.9	211.7	212.9	(10/5)	199.8	(5/4)

	May 12	Previous	1976 High	1976 Low
Australia (a)	466.76	465.75	472.91 (12/3)	440.62 (5/1)
Belgium (b)	101.79	101.95	115.12 (3/2)	101.53 (10/5)
Denmark (d)	104.90	104.82	107.79 (27/1)	100.5 (10/5)
France (e)	65.8	65.7	74.5 (3/3)	65.4 (10/5)
Germany (f)	751.7	769.8	821.7 (17/3)	701.7 (12/5)
Holland (g)	97.1	97.7	105.5 (8/2)	95.4 (7/5)
Hongkong (h)	414.60	415.92	465.53 (17/5)	390.5 (2/1)
Italy (k)	76.60	77.56	91.57 (25/2)	72.3 (4/5)
Japan (m)	340.58	341.25	344.51 (24/5)	303.3 (5/1)
Singapore (n)	257.90	257.65	266.16 (5/2)	236.3 (2/1)

	May 12	Previous	1976 High	1976 Low
Spain (p)	97.44	93.68	100.79 (7/5)	88.43 (1/4)
Sweden (q)	462.28	472.80	476.96 (10/5)	396.35 (19/1)
Switz'rl'd (r)	226.1	225.2	236.5 (12/5)	231.5 (4/5)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10). (a) Sydney All Ord. (b) Belgian SE 31/12/63 (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953 (g) Amsterdam Industrial 1970 (h) Hang Seng Bank 31/7/64 (k) Milan 2/1/72. (m) Tokyo New SE 4/1/68 (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58 (r) Swiss Bank Corp. 31/12/58 (u) Unavailable. ‡ Excluding bonds. * 425 Industrials. † 425 Inds. 40 Utilities and 25 Rails. (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—124½% (122¼%)

NEW YORK

Stock	May 12	May 11
Addressograph	9½	9½
Aetna Life & Cas.	25⅞	25¾
Air Products	80⅝	80¾
[illegible]		

Stock	May 12	May 11
Corning Glass	75¾	76
CPC Int'nation'l	45⅝	45⅝
Crane	66	66¼
Crocker Nat.	23¾	23¾
Crown Zellerbach	44⅛	44¼
[illegible]		

Stock	May 12	May 11
Johns Manville	29⅞	30⅛
Johnson Johnson	87½	88⅞
Johnson Control	20⅝	20⅞
Joy Manufactur'g	45⅛	44⅛
Kaiser Alumin'm	32½	32¾
[illegible]		

Stock	May 12	May 11
Reading	1½	1¼
Republic Steel	36¾	37
Revlon	76⅜	76
Reynolds Metals	38⅛	38⅛
Reynolds R. J.	60	60¾
[illegible]		

Stock	May 12	May 11
Zenith Radio	34	34¼
Chile 5% 1993	†90	†90
U.S. Treas 4% 1980	†90	†90⅛
U S Treas 4¼% 75/85	†81⅞	†82⅛
U.S. 90 days bills	5.10%	5.06½

CANADA

[illegible]

GERMANY ◆

May 12	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	92.8	−2.0	—	—
Allianz Versich.	389	−1	17	2.2
B.M.W.	239.5	−1.5	14	2.9
BASF	159.2	−1.0	14	4.9
Bayer	138.7	−1.8	17	5.8
Bayer Hypo.	281	−2	20	3.6
[illegible]				

MILAN

May 12	Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.	800	−2	—	—
ANIC	590	−13	60	
Assonda Fin.	5,830	−15	120	3.4
Bastogi	885	−20	70	7.8
Breda	1,640	−40	165	9.1
Burgo	9,150	−49	200	2.2
Cantoni	6,280	−40	200	3.9
CIGA	2,622	+22	—	—
[illegible]				

BRUSSELS/LUXEMBOURG

[illegible]

PARIS

[illegible]

SWITZERLAND◆

[illegible]

AMSTERDAM

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

AUSTRALIA

May 12	Aust. $	+ or —
Acrow Australia	†0.70	—
Adelaide Brighton Cemt 50c	†1.15	+0.01
Allied Mnfg-Trdg Indus-$1	†1.86	−0.02
Ampol Exploration	†0.65	−0.05
Ampol Petroleum	†0.57	—
Assoc. Minerals	†3.15	—
Assoc. Pulp Paper $1	†0.90	—
Aust. Con. Industries	†1.56	—
[illegible]		

TOKYO ¶

[illegible]

Source Nikko Securities, Tokyo.

STOCKHOLM

[illegible]

OSLO ◆

[illegible]

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

SPAIN ▼

[illegible]

NOTES: [illegible]

Sterling firm

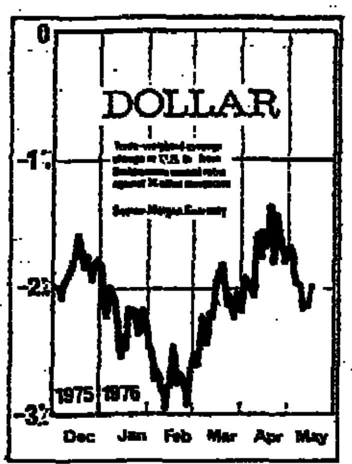
Sterling maintained its recent firmer trend in the foreign exchange market yesterday, gaining ground against the U.S. dollar and major currencies in general. The pound closed 35 points higher against the dollar at $1.8385-1.8395, and its trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, improved to 36.9 per cent. from 37.3 per cent., and stood at 36.9 per cent. at noon and 37.1 per cent. in early dealings.

General optimism about the economic situation and hopes that the April trade figures, to be published on Friday, will confirm the hopeful trend in recent economic statistics, helped support sterling.

The pound opened at $1.8370-1.8380 and touched $1.8410-1.8420, before easing to around $1.8390 for most of the day.

The dollar was firmer against all major European currencies, with the exception of sterling, improving to Sw.Frs.2.4955 against the Swiss franc, from the previous Sw.Frs.2.48. The Italian lira finished at L850 in terms of the U.S. unit, compared with L843 on Tuesday. The dollar's trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York on noon rates, narrowed to 1.96 per cent. from 2.12 per cent.

Gold remained fairly quiet, closing at $127¾-128¼, a gain of $¼. The krugerrand's premium over its gold content narrowed to 2.63 per cent. for domestic delivery and to 3.02 per cent. in the international market.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	May 12	May 11
sterling	0.626168	0.629127
U.S. dollar	1.15171	1.16319
Belgian franc	44.9665	44.8706
Deutsche mark	2.95778	2.95602
French franc	5.39461	5.39909
Italian lira	978.781	971.015
Japanese yen	345.728	343.997
Dutch guilder	3.11307	3.11015
Swedish krona	5.06061	5.06501
Swiss franc	2.87087	2.86418

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

May 12	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfurt	—	2.562-563	64.49-67	6.53-4	4.7157-93	96.38-43	1.2.33-38
N York	39.21-25	—	21.33-35	2.567-581	1.8375-8395	36.95-97	39.99-.01
Paris	155.45-85	4.673-689	—	11.96-1	3.606-651	115.25-65	186.10-50
Brussels	15.29-2	39.04-07	8.32-36	—	71.77-82	14.43-46	12.64-66
London	4.19-70	1.8365-95	8.81½-82½	71.80-72.0	—	4.97½-98½	4.56½-9½
Am'rd'm	105.953-065	.7017-42	87.66-.715	6.922-7	4.96½-97½	—	105.46-51
Zurich	47.77-85	.396-407	53.12-23	6.38½-39½	4.297-601½	92.09-17	—

U.S. $ in Montreal. U.S. $ = 97.94-96 Canadian cents.

Canadian $ in New York. C$=102.07-09 U.S. cents. U.S. $ in Milan 850.0-851.0

*Sterling in Milan 1563.0-1564.5.

EURO-CURRENCY INTEREST RATES*

May 12 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	10-10⅜	4¾-5¼	8-9	4¾-6	5-5¼	½-⅝
7 days' notice	10¼-10¾	4⅞-5⅛	8⅛-8½	4¾-5	3⅛-3⅜	¾-1
Month	9⅞-10⅛	4⅞-5⅜	8¼-8½	5⅛-5¾	[illegible]	1-1⅛
Three months	10⅞-11⅛	5⅞-6	8⅝-8⅞	[illegible]	[illegible]	1¼-1½
Six months	11⅛-11⅝	6⅛-6⅝	9⅛-9⅝	4⅛-4⅜	3⅞-4	[illegible]
One year	11⅜-12⅜	6¾-7¼	9½-9¾	4⅛-5⅛	4⅛-4⅝	[illegible]

Euro-French deposit rate: two-day 8¾ per cent.; seven-day 8¾ per cent.; one-month 8¾-9 per cent.; three-month 9¾-10¼ per cent.; six-month 10⅛-10⅝ per cent.; one-year 10 7/16-10¾ per cent.

Longer-term Eurodollar deposits: two years 7¼-7¾ per cent.; three years 7⅝-8⅛ per cent.; four years 8¼-8¾ per cent.; five years 8¼-8⅝ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5 1/16-5 5/16 per cent.; three months 5 9/16-5 11/16 per cent.; six months 6⅛-6¼ per cent.; one year 6⅞-6⅞ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-days' notice for guilders and Swiss francs.

GOLD MARKET

	May 12	May 11
Gold Bullion (a fine ounce)		
Close	$127¾-128¼	$127½-128¼
Opening	$127½-128¼	$128-128¼
Morning fix'g	$127.85 (£69.484)	$128.00 (£69.765)
Afternoon fix'g	$127.90 (£69.518)	$127.85 (£69.730)
Gold Coins (domestically)		
Krugerrand	$130½-132½ (£71-72)	$130½-132½ (£71¼-72¼)
New Sov'r'gns	$45½-47½ (£24¾-25¾)	$45½-47½ (£24¾-25¾)
Old Sov'r'gns	$44½-46½ (£24¼-25¼)	$44-46 (£24-25)
Gold Coins (Intern'nally)		
Krugerrand	$131-133 (£71¼-72¼)	$131-133 (£71½-72½)
New Sov'r'gns	$45½-47½ (£24¾-25¾)	$45½-47½ (£24¾-25¾)
Old Sov'r'gns	$41-43 (£22¼-23¼)	$41¼-43¼ (£22½-23½)
$20 Eagles	$214-217	$214-217
$10 Eagles	$110-115	$109½-112
$5 Eagles	$78-81	$78-81

FOREIGN EXCHANGES

May 12 1976	Bank Rate %	Market Rates Day's Spread	Market Rates Close
New York	5½	1.8365-1.8420	1.8385-1.8395
Montreal	9½	1.7960-1.8035	[illegible]
Amsterdam	4	4.95-4.99	4.97½-4.98½
Brussels	7	71.60-72.10	71.80-72.0
Copenh'gen	8½	11.09-11.14	11.11½-11.12½
Frankfurt	3½	4.67-4.71	4.69-4.70
Lisbon	6½	54.70-55.25	[illegible]
Madrid	7	123.90-124.40	[illegible]
Milan	12	1,548-1,565	[illegible]
Oslo	[illegible]	10.05-10.09	[illegible]
Paris	[illegible]	8.80-8.84	8.81½-8.82½
Stockholm	5½	8.06-8.10	[illegible]
Tokyo	6½	545-555	[illegible]
Vienna	5	33.40-33.60	[illegible]
Zurich	2½	4.56-4.60	4.56½-4.59½

Basic discount. † Given rates are for convertible francs. Closing financial franc 72.80-72.90.

OTHER MARKETS

			Notes Rates
◆Argent'na	257.60-257.70	Argentina	788.0
Australia	1.4717-1.4879	Austria	[illegible]
Brazil	18.89-19.09	Belgium	[illegible]
Finland	7.10-7.12	Brazil	[illegible]
Greece	65.858-67.494	Canada	[illegible]
H'ngKong	8.8250-9.0426	Denmark	[illegible]
Iran	127-128	France	[illegible]
Kuwait	0.532-0.542	Germany	[illegible]
Luxemb'g	71.80-72.00	Greece	[illegible]
Malaysia	4.6886-4.7040	Italy	[illegible]
N.Zealand	1.8265-1.8457	Japan	[illegible]
Saudi Arab	6.45-6.55	Netherl'nds	[illegible]
Singapore	4.5450-4.5610	Norway	[illegible]
S.Africa	1.5910-1.6084	Portugal	[illegible]
[illegible]			

FORWARD RATES

[illegible]

Six-month forward U.S. dollar [illegible]

U.S. ban on cyclamates to continue

WASHINGTON, May 12.

[THE] U.S. Food and Drug [Ad]ministration (FDA) has [rej]ected that the artificial [sw]eetener cyclamate should not [be] returned to the U.S. market. [It] said it could not assure con[sum]ers that the product is safe [for] everyday use.

[M]r. Alexander Schmidt, the [FD]A Commissioner, said despite [ext]ensive testing the cancer-[cau]sing potential of cyclamate [is] still unresolved and several [stu]dies suggest it can cause [ge]netic damage in humans.

[C]yclamate was withdrawn from [th]e market in 1969 after some [lab]oratory studies on animals [sh]owed it caused cancer. It was [wi]dely used in many foods, in[clu]ding soft drinks.

[B]ut Abbott Laboratories, a [ma]jor cyclamate producer, said [ye]sterday it has no knowledge of [an]y unresolved safety questions [th]at would preclude U.S. [ap]proval of cyclamate for use in [foo]ds.

[Re]uter

Australians to shoot 40,000 more cattle

MELBOURNE, May 12.

[DA]IRY FARMERS in Victoria [pla]n to slaughter another 40,000 [cat]tle this week to recoup losses [cau]sed by rising costs and [dr]ought.

Yesterday farmers in North [Vic]toria shot 1,000 cattle after [dec]iding it was cheaper to kill [the]m than feed them or trans[po]rt them to market.

Mr. Ian Smith, Minister for [Ag]riculture, said that farmers [wo]uld be paid $A5 (£3.35) for [eac]h head of cattle destroyed.

Mr. Walley Watts, a spokes[ma]n for the farmers, estimates [th]at a good animal can fetch as [mu]ch as $A60 at auction.

[Re]uter

SHARP FALL IN POTATO PRICES

By Our Commodities Staff

There has been a sharp fall in [pr]ices for old potatoes the Potato [Ma]rketing Board announced [ye]sterday.

Faced with a widening range [of] imported new potatoes, buyers [we]re now showing a diminished [in]terest in home grown ware [po]tatoes it said. As a result [pr]ices had fallen sharply and [th]ere was some carry-over of [st]ocks.

General lifting of home grown [n]ew potatoes should start in [C]ornwall and Pembroke on [J]une 1-4, it added.

Surplus of phosphates until 1980 forecast

BY JOHN EDWARDS, COMMODITIES EDITOR

WORLDWIDE SURPLUSES of phosphate rock and phosphoric acid, lasting until at least 1980 were forecast in a report presented at the International Phosphate Manufacturers Association (ISMA) conference in London yesterday.

The report, compiled by the Association's economic committee, said that although phosphate fertiliser prices had eased the market remained "perturbed" and in some countries it could be several years before the 1973-74 level of consumption was regained. It added that the setback to phosphate fertiliser consumption would obviously aggravate the projected surplus of both phosphate rock and phosphoric acid.

Results of the committee's latest survey predicted that between 1974 and 1979 there would be a substantial increase in the available capacity for producing phosphoric acid for export, which would be more than enough to cope with demand. On balance, therefore, it was difficult to see where the additional capacity would find a market.

It estimated that by 1979 production potential would be as much as around 22m. tonnes compared with consumption of about 17m. tonnes. The supply potential for phosphate rock was forecast as rising steeply to over 150m. tonnes by 1979 against demand of around 100m. tonnes showing a relatively small increase in the next few years after the sharp setback in 1974-75.

Elasticity

Delegates at the conference privately confirmed that the over-supply situation of phosphate is putting further downward pressure on prices. A further fall in demand, after the steep drop in 1975, is expected in Western Europe, the main importing area, even though there is expected to be a slight recovery in worldwide consumption.

Traders reported low-price deals of the conference for example PhosFutur claimed that it had paid only $26 a ton for high quality phosphate rock from Togo. This compares with the official Moroccan quoted price of $48 although actual deals have been reported at prices between $30 to $38. At the same time U.S. suppliers are said to be offering phosphoric acid and processed fertilisers at very competitive rates.

It was pointed out that the unexpected elasticity of demand for phosphate, highlighted by the shortage fears in 1974, and the subsequent reaction, have effectively killed any aspirations to create a producer cartel similar to OPEC.

Meanwhile from Britain's point of view the lower cost of raw materials, such as phosphate rock, should help to prevent fertiliser prices from rising in the months ahead.

In Strasbourg, the Common Market Commission said it was investigating prices of certain fertilisers exported to the EEC from the U.S. and the East European trading bloc Comecon.

Sig. Altiero Spinelli, the Industry Commissioner, told the European Parliament that depending on the outcome of the investigation, the Commission could invoke free competition rules against the exporters.

World cotton supply tightening

WASHINGTON, May 12.

WORLD STOCKS of cotton will fall by nearly 7.6m. bales (480 lbs net weight) by the end of the current season while expanding demand will continue to outstrip fresh production in the new 1976-77 marketing season, latest estimates to be published soon by the U.S. Agriculture Department's Foreign Agriculture Service (FAS) show.

The estimates will incorporate substantially-expanded data on China's cotton supply demand situation which will significantly change the global totals from the previous FAS estimates made nearly two months ago.

Mainly reflecting a 1.1m. bale increase in estimated Chinese output this season, the FAS now puts world 1975-76 cotton output at 55.48m. bales, compared with 64.89m. in 1974-75. Two months ago it forecast the total for this season at 54.86m. bales and estimated 1974-75 output at 63.28m.

Disregarding the upward adjustment in China's crop, the latest estimate represents a drop of about 480,000 bales in the current season's production from the March forecast.

Last week the International Cotton Advisory Committee (ICAC) also lowered its estimate of world 1975-76 cotton output by 300,000 bales to 54.7m. bales. However, officials now say that estimate will be revised shortly to incorporate the new data on China utilised by the FAS for its latest estimate.

Against the enlarged estimate of current season's production, FAS now estimates world usage of cotton at 62.81m. bales against 61.24m. in its previous estimate and a revised 59.4m. in 1974-75, which it had previously estimated at 58.2m. bales.

Based on the revised supply and demand estimates, FAS forecasts world stocks of cotton at the end of this season at 23,999,000 bales. This is about 200,000 bales less than it forecast two months ago and is sharply down from the record 31.58m. bales in stock at the end of last season.

Looking ahead to the approaching 1976-77 season, FAS says U.S. farmers are planning a 16 per cent. increase in cotton plantings this spring.

However, it notes that based on preliminary reports cotton acreage elsewhere in the world this year will rise by only around 5 per cent.

Assuming more normal acreage yields the FAS estimates a 5 per cent. increase in foreign acreage could mean a production increase outside the U.S. of 8-10 per cent. or to between 50.8m. and 51.8m. bales compared with 47.17m. now estimated for this season.

Based on the current trend, FAS estimates foreign production next season at about 51m. bales will fall short of total demand outside the U.S. by about 5m. to 6m. bales.

Reuter

COPPER EXPORT BAN TO STAY

TOKYO, May 12.

The Japanese Ministry of International Trade and Industry reaffirmed it will for the time being continue its embargo on the export of electrolytic copper.

It said conditions on the world copper market had not improved enough to justify Japan's resumption of copper exports, halted in November, 1974.

It added that the recent price recovery has not necessarily reflected an improvement in actual needs. Industry estimates put Japanese carryover stocks at the end of the 1976 fiscal year at 280,000 tonnes.

Reuter

Peart backs U.K. dairy expansion

By Peter Bullen

GOVERNMENT BACKING for the British milk industry's attempts to expand output and supply more home-produced dairy products was pledged by Mr. Fred Peart, the Minister of Agriculture, last night.

At a reception to launch a new campaign to promote sales of English butter he said the Government attached priority to seeing an expansion of U.K. milk production and of the supply of home-produced butter.

"However, if our policy is to be successful, it is imperative that there should be a market for this increased production. The low production levels in recent years have enabled Continental producers to move in on the U.K. market and valuable ground has already been lost. We therefore have a fight on our hands to re-establish British butter as a major force on the British market," he said.

Last year the U.K. spent £513m. on importing dairy produce—£351m. on butter alone. Import prices were even higher this year. Consequently, a higher volume of domestic production would make a significant import-saving contribution he added.

He was confident butter production would increase rapidly.

Rally in cocoa and coffee

By Richard Mooney

COCOA AND coffee prices on the London terminal markets regained some of this week's losses yesterday despite the steadier tone of sterling. July delivery coffee rose £42.5 to close at £1,427 a tonne while July cocoa gained £30.5 to £1,059 a tonne.

The cocoa price rise was seen mainly as a technical rally following the earlier £100 fall, but coffee dealers attributed the gains in their market to follow-through from New York and signs of renewed roaster interest.

Cocoa prices opened around £6 above the previous night's closing level and advanced gradually reaching the £20 permissible limit in mid-morning.

● Base metal prices all advanced on the London Metal Exchange yesterday, despite the firmer tone in sterling. Cash tin recouped the previous day's losses in gaining £52.5 to £4,085 a tonne. Copper cash wirebars advanced by £13.75 to £835.25 a tonne while lead and zinc prices were also higher.

INTERNATIONAL BAUXITE ASSOCIATION

Slow moves to ore pricing policy

BY CANUTE JAMES, KINGSTON CORRESPONDENT

THE 18-month-old International Bauxite Association has made limited progress in handling its first major task—finding a long-term pricing and taxation policy for ore sold by its 11 members. The fifth meeting of the association's executive Board, held here recently, again examined the problem which has been studied for just under a year, but apparently made no headway.

The closest the IBA has come to finding a formula was the recommendation last November from the Ministerial council to the members that they adopt a minimum pricing policy for all bauxite ore exported this year.

Mr. Henri Guda, a 43-year-old Surinam tax lawyer and secretary-general of the IBA, was not very forthcoming when he was asked if member countries were sticking to their pledge to implement the recommendations.

"Its is too sensitive for me to make a comment on at the moment," Mr. Guda said. "But I am sure you have read that Indonesia has been successful in negotiations with Japan in getting a price increase—not to the extent that Jamaica, for example, got a price increase—but an increase none the less."

Variables

The problem the association faces is that of finding a formula which can satisfy the needs of all their members. Ideally, such a formula has to take into account several variables such as the quality of bauxite ore, distance from markets, methods of mining, level of national control of facilities, and inevitably the political relations between particular member-governments and the governments of the consuming countries.

Despite the relatively slow progress in handling this problem which the IBA itself has described as being "complex and difficult," there has been progress on other fronts. Mr. Guda has said that although the Secretariat was established officially here in late 1974, it really started functioning only in July last year.

"As the agreement states, the secretary general must immediately start collecting information, and that is really where we started," he said. "Member countries do not have the information they need, so we go after it from other sources. In many countries the companies are under no obligation whatsoever to provide the government with any information."

In terms of statistics, the IBA has much going for it. Its membership includes the world's largest producer — Australia — the second largest producer — Jamaica—in addition to Guyana, Surinam, Guinea, Ghana, Yugoslavia, Haiti, the Dominican Republic, Sierre Leone — all founding members — and Indonesia, which was admitted last year.

Mr. Guda said he felt India and Malaysia were interested in joining but he had not received any applications.

Within their collective borders, the member countries have 17.740bn. tons—74 per cent. of the world's total—of proven reserves. However, Mr. Guda is reluctant to set great store by statistics alone. He sees little in them to really prove the strength of the IBA in representing its members.

He objects to comparisons with other producers' organisations such as OPEC. "I don't like this reference to OPEC. This is not another OPEC. This is the first IBA," he says.

The strength of the IBA has long been under discussion both inside and outside member countries. There have been questions about the political will of a country like Haiti, for example, to stand by the association's decisions which may demand a strong front in dealing with a country such as the United States.

Australia

Australia's position has also been questioned. Obviously, the other founding members saw the necessity of having the world's leading producer within their fold. The interest, of course, was not one-sided—the Whitlam Government had indicated a desire to move Australia closer to the Third World and to producers' organisations, despite its inability to come to grips with a comprehensive mining policy.

But Australia does not depend on bauxite to the same extent as countries like Jamaica, Guyana, Surinam and Guinea. Doubts expressed by members of the present Government, while in opposition, about IBA membership, have also clouded attempted analyses of Australia's commitment.

However, Mr. Guda attaches little importance to these questions of members' commitment to the association. He says: "I don't like to comment on individual members because I don't speak for individual members. But we have not been informed about any change of policy in any member country. Indications are very clear that all members will live up to their obligations."

In attempting to represent the interest of their members in their dealings with consumers of bauxite and alumina, the IBA is steering clear of anything which suggests confrontation.

Farmers seek bigger role in marketing

BY OUR COMMODITIES STAFF

THE U.K. Government should support in principle new draft EEC regulations on market structures and producers' groups but there should be amendments allowing for greater producer involvement in the food production-distribution chain. The British Agricultural Council and the Central Council for Agricultural and Horticultural Co-operation said yesterday.

Their conclusions follow a detailed study of the draft proposals by a joint working party under the chairmanship of Mr. Richard Butler, deputy president of the National Farmers' Union.

"Both the regulations, if adopted, will lead to far-reaching changes for the whole industry. In particular, the regulation on market structures will necessitate the creation of an agreed programme of future agricultural marketing developments so that projects may qualify for grant aid from the European Farm Fund," he said.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER — Turned upwards on the London Metal Exchange. Following the recovery in Comex from earlier low levels overnight helped by physical demand, forward metal opened higher [illegible]

[illegible]

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade £	£	£	£	£
Cash	4100-05	+55	4080-90	+52.5
3 months	4210-5	+45	4195-7	+47.5
Settlem't	4105	+55		
Standard				
Cash	4100-5	+55	4080-90	+52.5
3 months	4205-8	+54	4188-90	+46.5
Settlem't	4105	+55		
Straits E.	[illegible]	[illegible]		
New York	[illegible]			

[illegible]

CINEMAS

[illegible]

ART GALLERIES

[illegible]

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COFFEE

[illegible]

RUBBER

[illegible]

SILVER

[illegible]

COCOA

[illegible]

GRAINS

[illegible]

FREIGHTS

[illegible]

SUGAR

LONDON DAILY PRICE [illegible]

[illegible]

WOOL FUTURES

[illegible]

SOYABEAN MEAL

[illegible]

JUTE

[illegible]

MEAT/VEGETABLES

[illegible]

Veal: English fats 40.0 to 46.0, fats (high quality) 48.0, mediums 24.0 to 27.0, bobbies 22.0 to 25.0; Scottish bobbies 20.0 to 24.0; Dutch hinds and ends 55.0 to 58.0, hinds and ends (high quality) 60.0.

Lamb: English small new season 42.0 to 50.0, small new season (high quality) 53.0, medium new season 44.0 to 46.0, heavy new season 40.0 to 44.0; Imported frozen—NZ PL 39.00 to 39.5, PM 36.0 to 36.5, PH 32.5 to 33.0.

[illegible]

Cauliflowers—Per 12, Lincs 0.70, Kent 0.90-1.00. Mushrooms—Per pound 0.25-0.30. Swedes—Per 28 lbs Devon 0.90. Cucumbers—Per box 10/18 1.50-1.80, prepack 12/14 1.80. Tomatoes—Per box 12 lbs 3.40-3.50. Lettuce—Per 12, round 1.10-1.20. Cos 0.50. Celery—Per 12/30 4.00. Asparagus—Per pound 0.40-0.80.

★

COTTON—Liverpool. Spot and shipment sales amounted to 218 tonnes bringing the total for the week to 817 tonnes, reports F. W. Tattersall. Irregularity in price levels caused some diminution of demand. Users were mainly interested in African and Middle Eastern growths.

★

GRIMSBY FISH—Supply poor, demand good. Prices per stone at ships' side (unprocessed): Shelf cod £2.40-£2.60, codlings £2.10-£2.30, large haddock £2.50, medium £2.20-£2.40, small £1.60-£1.90, large plaice £3.50, medium £3.40-£3.70, best small £2.40, skinned dogfish (medium) £2.50, large £1.50, lemon soles £4.00-£4.50, rock fish £1.70, saithe £1.00-£1.30.

★

COPRA—Philippines—(per tonne)—June $215, July $217.50 resellers c.i.f. North Euro ports.

BANGLADESH BID TO BAN WORK ON JUTE SUBSTITUTE

NAIROBI, May 12.

BANGLADESH HAS called for a complete ban on research in, and development of, synthetics to replace jute—almost the only source of Bangladesh's foreign exchange earnings.

The call was made by Mr. M. N. Huda, adviser in charge of the Bangladesh Ministry of Commerce at the United Nations Conference on Trade and Development (UNCTAD).

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	May 12 1976	+ or —	Month ago
Metals			
Aluminium (a)	£456		£456
Free Market (cif)	[illegible]	[illegible]	£440-455
[illegible]	[illegible]	[illegible]	£821.75
[illegible]	[illegible]	[illegible]	£845.25
[illegible]	[illegible]	[illegible]	£815.25
[illegible]	[illegible]	[illegible]	£838.75
[illegible]	[illegible]	[illegible]	$128.5
[illegible]	[illegible]	[illegible]	£235.5
[illegible]	[illegible]	[illegible]	£243.75
[illegible]	[illegible]	[illegible]	£2,450
[illegible]	[illegible]	[illegible]	$2.08-.23
[illegible]	[illegible]	[illegible]	$86.5-89
[illegible]	[illegible]	[illegible]	179.35
[illegible]	[illegible]	[illegible]	$100-105
[illegible]	[illegible]	[illegible]	240.45p
[illegible]	[illegible]	[illegible]	246.55p
[illegible]	[illegible]	[illegible]	£3,882.5
[illegible]	[illegible]	[illegible]	£3,895
[illegible]	[illegible]	[illegible]	$53-55
[illegible]	[illegible]	[illegible]	£421.5
[illegible]	[illegible]	[illegible]	£435.25
[illegible]	[illegible]	[illegible]	$795
[illegible]	[illegible]	[illegible]	£408
[illegible]	[illegible]	[illegible]	£382
[illegible]	[illegible]	[illegible]	$210
[illegible]	[illegible]	[illegible]	£165.5
[illegible]	[illegible]	[illegible]	£71.75
[illegible]	[illegible]	[illegible]	£73.25
[illegible]	[illegible]	[illegible]	£72.45
[illegible]	[illegible]	[illegible]	£75
[illegible]	[illegible]	[illegible]	£92.1
[illegible]	[illegible]	[illegible]	£75
[illegible]	[illegible]	[illegible]	£950
[illegible]	[illegible]	[illegible]	£941.75
[illegible]	[illegible]	[illegible]	£1,187.5
[illegible]	[illegible]	[illegible]	55.95
[illegible]	[illegible]	[illegible]	£205
[illegible]	[illegible]	[illegible]	64p
[illegible]	[illegible]	[illegible]	£600
[illegible]	[illegible]	[illegible]	£178
[illegible]	[illegible]	[illegible]	250p
Cloves Madagascar	£3,100	+100.0	£2,900
Pepper White...ton	£1,090	......	£1,050
Black...ton	£885	......	£860

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." h Jan.-March. r Sept. u Metric tons.

FINANCIAL TIMES

May 12	May 11	Month ago	Year ago
215.28	215.00	202.82	163.01

(Base: July 1, 1952=100)

REUTER'S

May 12	May 11	Month ago	Year ago
1436.4	1440.1	1360.5	1077.2

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	May 12	May 11	Month ago	Year ago
Spot	338.63	336.68	318.50	280.34
Futures	327.04	324.32	307.94	254.76

(Average 1924-25-26=100)

MOODY'S

Moody's	May 12	May 11	Month ago	Year ago
Spie Commodity	822.9	823.8	803.8	733.5

(December 31, 1931=100)

HIDES—London. Weaker, with a poor clearance. Second clear ox 31-35½ kilos withdrawn 44p per kilo; 26-30.5 kilos withdrawn 31.6p; 22-25½ kilos 36.4p. Light cows withdrawn 39p. No call offered.

U.S. Markets

Coffee and grains firm: cocoa rises

NEW YORK, May 12.

COFFEE rose considerably and cocoa recouped Tuesday's losses. Copper was marginally higher as was cotton. Platinum was considerably stronger. Grains were strong but soyabeans and soyabean products eased.

Cocoa—Ghana spot 96 (95½). Bahia spot 94½ nom. (92½). May 89.20 (86.20), July 85.70 (83.00), Sept. 80.45, Dec. 70.39, March 71.20, May 69.50, July 67.50, Sept. 66.25. Sales: 1,425 lots.

Coffee—"C" Contract: May 139.00 (136.25-136.50), July 138.15 bid (135.15), Sept. 135.85 bid, Dec. 132.00 bid, March 129.55 bid, May 129.45-129.50. Sales: 781.

Copper—May 70.60 (70.20), June 70.90 (70.50), July 71.20, Sept. 72.20, Dec. 73.20 settlements. Sales: 7,500 lots.

Cotton No. 2—July 65.10-65.20 (64.72), Oct. 65.00-65.06 (64.70), Dec. 63.25-63.33, March 63.50, May 64.00 bid, July 64.15 bid, Oct. 63.40 bid. Sales: 5,550.

‡Gold—May 128.00 (125.10), June 128.50 (125.60), July 129.00, Aug. 129.50, Oct. 130.90, Dec. 131.80, Feb. 133.10, April 134.40, June 135.70, Aug. 137.00 settlements. Sales: 2,290 lots.

Greasewool—Spot 180.0 nom. (same), May 170.7-176.0 (172.0-184.0), July 172.1-177.0 (172.0), Oct. 172.1-177.5, Dec. 172.1-179.0, March 172.1-179.0, May unquoted.

†Lard—Chicago loose 15.75 nom. (16.00 nom.), NY prime steam 17.25 asked (17.50 asked).

††Maize—May 282-282½ (280½-280¼), July 282½-282½ (280½-280¼), Sept. 274½-274½, Dec. 268½-268½, March 276, May 279½.

‡Platinum—July 160.50 (156.30), Oct. 163.50 (161.10), Jan. 166.10, April 169.50, July 172.50-172.60, Oct. 175.40-175.50. Sales: 701 lots.

‡‡Silver—Spot 451.00 (449.00), May 453.70 (449.20), June 454.80 (450.20), July 457.00, Sept. 461.90, Dec. 469.50, Jan 472.60, March 475.40, May 484.20, July 490.00, Sept. 496.00 settlements. Sales: 18,642 lots.

*Soyabeans—May 511 (511½), July 519-518 (517½), Aug. 522½-522, Sept. 526, Nov. 520½-521, Jan. 527-536½, March 543½, May 548.

‖Soyabean Meal—May 151.50 (148.20), July 152.50-152.90 (149.70), Aug. 152.70-153.50, Sept. 154.50-155.00, Oct. 154.00, Dec. 154.60, Jan. 155.50, March 156.90-157.00, May 159.00.

Soyabean Oil—May 15.92 (16.19), July 16.00-15.97 (16.32-16.31), Aug. 16.08, Sept. 16.20-16.12, Oct. 16.30-16.28, Dec. 16.50-16.45, Jan. 16.60, March 16.70, May 16.75-16.80.

Sugar No. 11—Spot 15.25 (15.35), July 14.90-14.95 (15.16-15.19), Sept. 15.02-15.05 (15.21-15.25), Oct. 15.06-15.12, Jan. 14.59 nom., March 14.55-14.50, May 14.68-14.70, July 14.55 nom., Sept. 14.50 nom., Oct. 14.50 nom. Sales: 4,949.

Tin—348.00-358.00 asked (350.50).

**Wheat—May 341½ (336), July 348½-349½ (344-344½), Sept. 357½-357½, Dec. 369-369½, March 379½.

WINNIPEG, May 12. †Rye—May 252½ bid (249 bid), July 255½ (251½-251½), Oct. 260½, Nov. 260½, Nov. 260½ bid, Dec. 261½ asked.

c Oats—May 154½ (154½), July 154 (155½), Oct. 150½ bid, Dec. 148 nom.

§Barley—May 225½ bid (225 bid), July 228 bid (227½), Oct. 225 asked, Dec. 224 asked.

d Flaxseed—May 665 (633 bid), July 678 asked (672), Oct. 684 bid, Nov. 686 bid, Dec. 678 nom.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 453½ (440½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ‡ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs —Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.5 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. † Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Equities turn easier after ICI's cash call for £196m.

Share index down 4.3 at 412.9—Gilts still lively

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
May 3	May 13	May 14	May 25
May 17	May 27	May 28	Jun. 9
Jun. 1	Jun. 10	Jun. 11	Jun. 22

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Confirmation of the expected "rights" issue from ICI, down 7 on the day at 393p, was the main point of interest in stock markets yesterday. The news, which came at the opening, helped clear the air after the recent persistent rumours of a big fund-raising operation and leading Industrials were marked up a penny or so at the opening. The initial improvement, however, was short-lived following selling which was thought to have emanated from potential buyers of the ICI new shares in which dealings start next Monday. Although selling was generally for only small parcels of stock and had tended to dry up by around lunch time, fears of further switching from the leaders left closing prices 3 or 4 down on balance. Up 1.5 at 10 a.m., the FT 30-share index closed a net 4.3 down at 412.9, the day's lowest.

British Funds benefited from a further improvement in sterling, but after a lively day's trading final quotations were little altered on balance. The Government Securities index closed 0.09 lower at 63.62, after the rise of 1.61 over the previous five trading days.

Secondary equities followed in the wake of the leaders, as reflected in the 2-1 majority of falls over rises in FT-quoted Industrials and a loss of 0.6 per cent. to 169.59 in the FT-Actuaries All-Share index. There was a further modest increase in activity as measured by official markings of 5,803 compared with 5,270 on Tuesday.

Gilts active again

The recent upward movement in Gilt-edged was checked yesterday as trade became more evenly balanced, but the final reaction was of little consequence with falls limited to ¼ at the longer end and to only $\frac{1}{16}$ among the shorts. Quotations of the former were lowered at the opening by ¼, but the falls were soon halved and a fresh substantial demand for the "tap", Treasury 12¾ per cent., 1993, "A," caused the Government broker to withdraw from selling his supplies of the stock at 96¾. The short "tap" Treasury 9¾ per cent., 1981, failed to become operative because the market took time to absorb sales which represented switching longer. Once again, a negative view appeared to be taken of sterling, but speculation began to revive concerning the announcement to-morrow of the April trade figures. Corporations, on occasions, rose another full point.

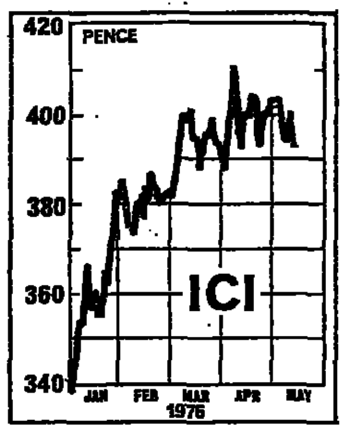
A small general demand found sellers in reticent mood, despite the firmness of sterling, and the investment currency premium moved up 1¼ points to 124¼ per cent. Yesterday's SE conversion factor was 0.6313 (0.6374).

Edward Bates dull

A dull market of late, Edward Bates took a further turn for the worse yesterday when jobbers, in an attempt to find a satisfactory trading level marked the shares down sharply; opening at around 30p the shares dropped swiftly to touch 22p before a late rally left a close of 26p, making a decline of 4 on the day and one of 8 on the week so far. Elsewhere, the banking sector was quiet and a little easier at the close. Lloyds drifted down 2 more to 230p, while Allied Irish were similarly lower at 102p following the results. Bank of Ireland gave up 10 to 295p with the "new" nil-paid unaltered at 39p premium. In a thin market, Seccombe Marshall and Campion were called 20 better at 270p among Discounts where Cater Ryder (results due next Tuesday) hardened 3 to 253p. Gerrard and National, on the other hand, lost 5 at 280p. In front of the interim results to-day, Lloyds and Scottish eased a penny to 82p in Hire Purchases.

Insurance brokers reacted from recent firmness on sporadic profit-taking. C. E. Heath came back 4 to 410p as did the "new" nil-paid shares to 108p premium. Matthews Wrightson lost 6 to 220p and Sedgwick Forbes declined 4 to 278p. Composites lacked support and turned lower with "Royals" 4 down at 312p, after 310p, ahead of to-day's first-quarter figures. Sun Alliance also lost 4, at 428p.

Narrowly mixed price movements were the order of the day in Breweries. Arthur Guinness hardened a penny to 133p and Boddingtons improved 2 to 104p but modest losses were recorded in Allied, 67p, and Scottish and Newcastle, 57½p.



After Tuesday's rise of 8 on the preliminary figures, R. Costain reacted 6 to 232p. A.P. Cement gave up 4 at 182p, while losses of 2 were sustained by Redland, 91p, and Marley, 96p. On a more cheerful note, Heywood Williams put on another 3 at 34p, and International Paint improved 10 to 295p.

ICI made a muted response to confirmation of the much-rumoured record "rights" issue plan which accompanied the first-quarter's figures; after opening at the overnight 400p, the price reacted to close 7 cheaper on the day at 393p following a reasonable trade. Other Chemicals lost ground on ICI's warning of higher costs due to the weakness of sterling. Notably, Albright and Wilson receded 4 to 89p and Fisons 7 to 398p. Crystalate eased 1¼ to 12p on further consideration of the interim report.

Stores easier

Stores drifted in light trading. Marks and Spencer gave up 3 at 96p, while "Gussies" "A," 202p, House of Fraser, 90p, and UDS, 80p, all closed 2 cheaper. Debenhams were also 2 easier, at 90p, following the announcement that the company is acquiring Hamleys, the toy retailers, from the liquidators of Lines Bros. Morris and Blakey were lowered 4 to 58p, while Combined English Stores, 79p, and Mothercare, 204p, shed 2 apiece. Awaiting fresh developments in the bid situation, Thomas Marshall Investments eased a penny to 88p in sympathy with a fall of 2 to 100p in William Baird. Blackman and Conrad, however, responded to a Press mention with a rise of a penny to 41½p. Other isolated firm spots took in Allied Retailers, 3 up at 127p, and Lee Cooper 5 higher at 75p.

Electrical leaders lost a little ground in idle trading, although Philips' Lamp held steady at £10$\frac{1}{16}$ in front of the first-quarter figures, due to-day. EMI closed 3 softer at 254p, after 253p, while losses of 2 were registered in GEC, 163p, after 166p, and Plessey, 77p. Narrow mixed movements were the order of the day elsewhere. Ever Ready, with preliminary results expected to-morrow week, eased 4 to 132p. Lec Refrigeration, after an initial improvement of 3 in response to the full report, slipped back to close unaltered on balance at 83p.

GKN were unable to shake off recent doubts connected with the offer for Sachs and fell 6 further to 328p. Hawker, too, met with selling and reacted 8 to 482p, while Vickers soon lost the benefit of an investment recommendation to close unchanged at 192p, after 195p. Other losses in the Engineering sector took in Weyburn, down 7 at 265p, and Edgar Allen Balfour, which slipped 3 to 78p. Reports that the annual meeting could be lively on May 24 unsettled Spear and Jackson, down 3 at 75p, while John Folkes Hefo non-voting shed 1 to 22½p despite increased profits. C. and W. Walker, on the other hand, replied to impressive results with a gain of 5 to 112p and Herbert Morris, still reflecting the Iranian contract, improved 1 more to 100p.

Foods had a couple of minor features in Alpine Soft Drinks and Linfood, which both closed 7 better at 115p and 212p respectively following small buying in thin markets. Cavenham ended a penny better at 133p, after 135p, following Press comment on the reorganisation plans, but RHM eased a penny further to 53½p on further consideration of the interim report. Spillers receded 1¼ to 43p in sympathy. Fox's Biscuits, 148p, gave up 5 of the previous day's rise of 8 which followed the announcement that Northern Foods had acquired a substantial shareholding, while United Biscuits, at 132p, lost 3 of Tuesday's gain of 5 on the chairman's comments at the annual meeting. Supermarkets were notable for a rise of 4 to 124p in Kwik Save Discount.

Ladbroke declined 4 to 103p in an otherwise little-changed Hotels and Catering section.

Unilever lower

After starting a shade firmer, the miscellaneous Industrial leaders eased on lack of interest to finish with marginal net losses. Unilever, exceptionally, were 6 down at 480p, after touching 476p, despite the chairman's comment at the annual meeting of a promising all-round start to 1976; the first-quarter results are due next Wednesday. Rank Organisation, 166p, relinquished the previous day's rise of 4, while Metal Box shed 3 to 285p. Boots, with results expected next Thursday, ended 2 down at 137p, after 140p. Elsewhere, British Syphon improved 3½ to 24p, the sharply lower profits being outweighed by the announcement of a maximum permitted dividend and encouraging remarks on prospects. Charles Hill of Bristol closed 3 harder at 123p, after 127p, on the return to profitability, while Davies and Newman, still on the full report, put on 2 more to 107p. Cape Industries, 135p, and Dundonian, 56p, rose 5 apiece, while Staffordshire Potteries added 4 at 154p and Renwick Group 3 to 29p. Monsanto 5 per cent. Sterling/Dollar loan, 1982-86, after rising 17 points on Tuesday on Wall Street influences, gained 6 more to £256. BTR ended 2 up at 201p, after 206p, following favourable Press comment and the AGM, but Development Securities, 320p, gave up 15 of the recent speculative advance. M.K. Refrigeration came back 4 to 78p on profit-taking, while Central Manufacturing, on the half-year profits setback, declined 3 to 53p.

Lucas attracted a fair amount of activity following Tuesday's "rights" debut, the new nil-paid shares easing 2 to 23½p premium and the old closing 3 cheaper at 209p. Plaxtons (Scarborough) also finished 3 off at 82p, while Supra, 20p, and Kennings, 56p, shed 1½ apiece. Against the trend, Lyon and Lyon hardened 3 to a 1976 peak of 28p.

Comment on current year prospects after Tuesday's preliminary figures brought in selling of Bunzl Pulp, which lost 3 to 107p, but Jefferson Smurfit, 4 up at 149p, responded to the encouraging statement which cancelled out the effects of the lower profits. Daily Mail "A" succumbed to further profit-taking and fell 8 to 190p, while Thomson shed 3 to 235p.

Barratt Devels. firm

After looking a little firmer at the opening, Property leaders softened to show marginal losses on balance. MEPC, 67p, and Land Securities, 154p, after 157p, both eased 2, while British Land ended a fraction down at 29½p, after 31p. Elsewhere, Barratt Developments found favour and improved 4 to 104p, while support in a thin market left Maybrook similarly higher at 30p. Press comment highlighting bid possibilities left gains in Property and Reversionary "A," 175p, Property Holding and Investment, 220p, Hay's Wharf, 70p, and R. Green Properties, 21p. Warnford Investments put on 3 to 173p, but Investment and Property Holdings, a dull market of late on the increased first-half loss, ended a penny lower at 11p.

Oils faltered after a better opening to close fractionally easier on the day. Shell, for example, traded between 436p and 430p before ending a net 2 cheaper at 432p, while British Petroleum were similarly easier at 668p, after 675p. Burmah pursued an opposite course and added 2 at 40p: the annual report was of little assistance. Ultramar gave up 4 at 182p, but British-Borneo were a shade harder at 136p on the increased profits. Investment dollar influences imparted firmness to both Royal Dutch, up ¼ more at $41¾, and Woodside-Burmah, 3 dearer at 101p. Siebens (U.K.) remained unsettled at 165p, down 5.

Overseas Traders were inclined to soften a little. Ocean Wilsons, 129p, relinquished 5 of the recent speculative rise, while Lonrho, 89p, and Sime Darby, 105p, shed 2 apiece.

Trusts and Financials had little to commend them. Ahead of the interim figures next Monday, stockjobbers Akroyd and Smithers cheapened 3 to 215p. Grimshawe also shed 3 to 30p but Challenge Corporation contrasted with an improvement of 5 to 170p.

Shippings displayed no set trend after a small business. Despite news of the reduced loss, Mersey Docks dipped 1¼ to 8½p. Lyle "A," 118p, gave up 5 of the previous day's speculative rise of 11. Walter Runciman (results due next Tuesday) cheapened 3 to 136p.

After a firm start, Courtaulds drifted back in thin trading to close 2 lower on balance at 156p, after 160p. Elsewhere in Textiles, Caird (Dundee) also closed 2 cheaper at 22p, as did Wood Bastow, at 64p. John Foster, on the other hand, improved 2 to 28p despite the lower profits. The Tobacco majors were idle and easier. Bats lost 5 to 390p and Imps were a shade off at 77½p.

Gold Fields Properties, 5 up at a 1976 high of 80p, resisted the easier trend of South African Industrials.

Rubbers drifted easier on lack of interest. Guthrie shed 3 to 197p, while London Asiatic eased a shade to 61p on the results.

Gold shares react

South African Gold shares tended to ease throughout the day in idle trading, reflecting the barely changed bullion price and modestly lower trend in overnight U.S. markets, but subsequently fell away in late dealings owing to substantial selling orders from the U.S.

The Gold Mines index receded 7.9 to 184.1, but bullion was finally 25 cents up at $128.125 per ounce. In the heavyweights, Western Holdings were particularly affected, being £1¾ lower at £17¾, while Free State Geduld lost £1¼ to £14. Falls of around a point were registered by Hartebeest (£14½) and West Driefontein (£24½). In the lower-priced stocks, Blyvoor and Kloof were both down at the common price of 530p, while Libanon dropped [illegible] to 470p. On the other hand, Deelkraal (7 better at 155p), and Free State Saaiplaas (150p up [illegible]) edged forward owing to a Cape demand.

South African Financials were generally easier. "Amgold" lost ground in late dealings, the shares closing around a point lower at £22. General Mining, however, rose ¼ to £21¼ following the annual report.

In the London-based Financials, Selection Trust gave up 5 to [illegible] and the "new" shares fell to a low of 58p premium before closing 5p off at 60p premium.

Coppers were generally unchanged but Platinums lost ground on Cape offerings. Tins were mixed despite the further rise in the metal price. Killinghall put on 10 to 210p and Petaling gained 3 to a year's high of [illegible]. Gopeng, however, fell 5 to [illegible].

Australians responded to the better trend in overnight markets, and the further gains in base metal prices. MIM Holdings were 6 higher at a year's peak of 290p while gains of about [illegible] were registered by Poseidon (215p) and Western Mining (177p).

FINANCIAL TIMES STOCK INDICES

	May 12	May 11	May 10	May 7	May 6	May 5	A year ago
Government Secs.	63.62	63.71	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Interest	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrial Ordinary	412.9	417.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gold Mines	184.1	192.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ord. Div. Yield	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Earnings Yld % (full)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P/E Ratio (net) (*)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dealings marked	5,803	5,270	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity turnover £m.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity bargains total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

10 a.m. 418.7. 11 a.m. 416.2. Noon 414.1. 1 p.m. 413.5. 2 p.m. 413.3. 3 p.m. 414.3. Latest Index 01-246 8026.

(*) Based on 52 per cent. corporation tax. (b) Nil=[illegible]. Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	59.75 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5/76)	381.6 (5/1/76)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	140.1 (5/4/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	May 11	May 10
Daily—		
Gilt Edged	140.4	170.7
Industrials	201.2	174.0
Speculative	58.0	60.6
Totals	132.1	119.9
5-day Average—		
Gilt Edged	147.0	146.5
Industrials	181.0	179.7
Speculative	56.2	55.7
Totals	120.1	115.6

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed. May 12 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil)	Tues. May 11	Mon. May 10	Fri. May 7	Thurs. May 6	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (179)	157.11	−0.9	14.43	5.61	10.45	10.35	158.61	158.01	158.28	158.94	119.72	[illegible]	[illegible]	[illegible]	50.71 (13/12/74)
2 Building Materials (30)	142.71	−1.0	12.69	5.35	11.94	11.94	144.14	143.93	144.90	145.76	105.78	[illegible]	[illegible]	[illegible]	44.27 (11/12/74)
3 Contracting, Construction (23)	217.54	−1.6	16.46	4.86	9.43	9.43	221.16	217.54	221.13	221.57	150.61	[illegible]	[illegible]	[illegible]	71.48 (2/12/74)
4 Electricals (16)	280.76	−0.7	14.61	4.41	10.11	9.81	282.84	281.78	280.45	280.60	206.83	[illegible]	[illegible]	[illegible]	86.71 (25/6/62)
5 Engineering (Heavy) (13)	189.10	−0.8	19.14	6.26	8.18	8.18	190.70	191.06	190.82	191.53	145.08	[illegible]	[illegible]	[illegible]	94.43 (1/2/76)
6 Engineering (General) (63)	146.59	−1.1	14.59	5.95	10.21	10.20	148.16	147.38	147.84	148.95	105.13	[illegible]	[illegible]	[illegible]	45.14 (6/1/75)
7 Machine and Other Tools (9)	59.19	−0.3	15.66	6.76	12.95	12.91	59.35	58.89	59.25	60.12	47.04	[illegible]	[illegible]	[illegible]	19.96 (13/12/74)
8 Miscellaneous (25)	141.31	−0.4	13.53	5.99	11.58	11.17	141.94	141.54	141.35	141.05	110.66	[illegible]	[illegible]	[illegible]	49.65 (6/1/75)
9 CONSUMER GOODS (DURABLE) (53)	137.51	−0.5	15.04	4.79	9.92	9.90	138.04	138.17	138.44	138.68	82.14	[illegible]	[illegible]	[illegible]	38.39 (6/1/75)
10 Lt. Electronics, Radio TV (15)	154.17	−0.7	12.87	3.49	11.41	11.39	155.26	156.08	155.02	155.01	90.57	[illegible]	[illegible]	[illegible]	42.85 (12/12/74)
11 Household Goods (13)	182.24	−0.2	16.99	6.28	8.95	8.93	182.72	182.67	182.93	182.93	133.99	[illegible]	[illegible]	[illegible]	63.92 (17/12/74)
12 Motors and Distributors (25)	82.79	−0.4	17.75	6.30	8.51	8.48	83.11	83.46	84.01	84.46	46.16	[illegible]	[illegible]	[illegible]	19.91 (6/1/75)
13 CONSUMER GOODS (NON-DURABLE) (168)	157.15	−0.7	13.62	5.72	11.06	10.97	158.20	157.37	157.41	158.71	132.74	[illegible]	[illegible]	[illegible]	61.41 (13/12/74)
14 Breweries (15)	161.57	−0.4	13.93	6.71	10.77	10.77	162.50	159.87	161.26	162.94	141.13	[illegible]	[illegible]	[illegible]	69.47 (13/12/74)
15 Wines and Spirits (7)	187.44	+0.3	10.03	5.40	15.17	15.17	186.89	184.05	185.18	188.46	154.81	[illegible]	[illegible]	[illegible]	78.81 (13/12/74)
16 Entertainment, Catering (14)	185.64	−1.9	12.95	7.11	11.89	11.79	189.26	187.89	188.03	189.07	139.90	[illegible]	[illegible]	[illegible]	54.87 (19/7/74)
17 Food Manufacturing (22)	176.56	−1.6	14.32	4.89	10.66	10.59	179.44	178.33	178.45	179.26	146.24	[illegible]	[illegible]	[illegible]	59.78 (11/12/74)
18 Food Retailing (16)	147.00	+0.8	11.82	4.79	12.97	12.97	145.82	144.31	143.53	145.08	134.50	[illegible]	[illegible]	[illegible]	54.25 (11/12/74)
19 Newspapers, Publishing (16)	175.03	−0.7	12.36	5.89	12.41	12.41	176.33	176.49	176.60	176.50	135.19	[illegible]	[illegible]	[illegible]	55.08 (6/1/75)
20 Packaging and Paper (12)	110.56	−0.7	16.16	7.09	9.43	9.43	111.39	110.94	110.96	111.66	101.24	[illegible]	[illegible]	[illegible]	43.46 (6/1/75)
21 Stores (34)	127.69	−0.3	11.79	3.57	13.07	13.06	128.08	128.95	128.13	129.61	119.96	[illegible]	[illegible]	[illegible]	52.63 (6/1/75)
22 Textiles (23)	173.53	−1.2	12.51	6.59	10.56	9.87	175.70	174.54	175.38	175.08	151.14	[illegible]	[illegible]	[illegible]	62.66 (11/12/74)
23 Tobaccos (3)	235.26	−0.3	18.53	6.02	8.23	8.23	236.06	235.50	235.50	237.20	177.39	[illegible]	[illegible]	[illegible]	94.34 (13/6/62)
24 Toys and Games (6)	78.64	−0.1	19.27	6.05	7.22	7.22	78.73	78.54	78.43	78.10	41.56	[illegible]	[illegible]	[illegible]	20.92 (6/1/75)
OTHER GROUPS (96)															
25 Chemicals (26)	225.98	−0.1	11.33	4.86	12.43	12.43	226.29	223.63	225.67	227.60	163.46	[illegible]	[illegible]	[illegible]	71.20 (11/12/74)
26 Office Equipment (9)	98.49	−0.6	12.94	5.29	11.77	11.77	99.33	97.92	98.10	97.81	63.54	[illegible]	[illegible]	[illegible]	45.34 (2/1/75)
27 Shipping (12)	400.75	−0.9	13.72	6.43	10.13	9.80	404.38	405.10	403.81	402.81	355.57	[illegible]	[illegible]	[illegible]	[illegible]
28 Miscellaneous (49)	169.79	−0.6	13.77	6.36	10.68	10.67	170.80	170.08	170.51	171.32	140.83	[illegible]	[illegible]	[illegible]	[illegible]
29 INDUSTRIAL GROUP (496)	[illegible]	−0.6	13.56	5.48	10.97	10.89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
30 OILS (4)	378.92	−0.4	11.30	4.33	10.23	9.47	380.39	382.65	385.37	383.64	260.34	[illegible]	[illegible]	[illegible]	[illegible]
31 500 SHARE INDEX	180.99	−0.6	13.21	5.30	10.65	10.54	182.09	181.63	181.95	182.79	140.65	[illegible]	[illegible]	[illegible]	[illegible]
32 FINANCIAL GROUP (100)	135.55	−0.7	—	5.44	—	—	136.50	137.50	137.65	136.67	126.27	[illegible]	[illegible]	[illegible]	[illegible]
33 Banks (6)	165.18	−0.2	18.76	5.13	6.21	6.21	165.57	167.03	167.82	169.02	143.88	[illegible]	[illegible]	[illegible]	[illegible]
34 Discount Houses (10)	168.00	+0.1	—	8.16	—	—	167.88	168.16	164.65	165.12	138.44	[illegible]	[illegible]	[illegible]	[illegible]
35 Hire Purchase (5)	114.10	−0.8	—	6.85	—	—	114.97	114.97	114.04	118.33	101.35	[illegible]	[illegible]	[illegible]	[illegible]
36 Insurance (Life) (9)	113.96	−0.9	—	6.36	—	—	115.00	117.60	117.20	117.54	110.15	[illegible]	[illegible]	[illegible]	[illegible]
37 Insurance (Composite) (7)	107.06	−0.9	—	6.96	—	—	108.06	109.06	109.08	106.85	109.52	[illegible]	[illegible]	[illegible]	[illegible]
38 Insurance Brokers (9)	275.26	−1.3	6.66	4.05	17.12	17.12	276.90	274.76	272.63	267.03	194.45	[illegible]	[illegible]	[illegible]	[illegible]
39 Merchant Banks (17)	80.54	−1.0	—	6.67	—	—	81.32	81.48	81.76	81.72	84.65	[illegible]	[illegible]	[illegible]	[illegible]
40 Property (31)	157.89	−0.7	3.53	3.19	35.49	34.32	159.02	159.09	160.11	159.74	218.95	[illegible]	[illegible]	[illegible]	[illegible]
41 Miscellaneous (6)	81.44	−0.9	16.05	6.90	9.75	9.75	82.16	82.29	81.66	80.98	70.89	[illegible]	[illegible]	[illegible]	[illegible]
42 Investment Trusts (50)	169.71	−0.1	[illegible]	4.32	34.19	34.17	169.86	169.61	170.05	169.82	171.14	[illegible]	[illegible]	[illegible]	[illegible]
43 ALL-SHARE INDEX (650)	169.59	−0.6	—	5.27	—	—	170.60	170.48	170.75	171.14	140.27	[illegible]	[illegible]	[illegible]	[illegible]
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (9)	319.08	−0.6	11.46	6.52	13.13	12.95	322.36	323.22	323.40	322.02	[illegible]	[illegible]	[illegible]	[illegible]	84.68 (5/8/65)
45 Teas (8)	139.06	+0.6	30.30	8.52	4.48	4.33	138.25	138.25	138.55	138.82	66.19	[illegible]	[illegible]	[illegible]	59.72 (7/10/74)
46 Coppers (3)	244.63	—	40.40	7.02	3.48	3.48	244.63	244.06	245.52	243.54	462.73	[illegible]	[illegible]	[illegible]	94.08 (9/4/62)
47 Mining Finance (11)	117.73	—	8.87	4.87	12.64	12.54	117.71	116.71	116.54	116.55	133.97	[illegible]	[illegible]	[illegible]	66.31 (10/9/74)
48 Tins (8)	112.52	−0.8	10.77	7.94	13.52	12.81	113.38	115.14	113.55	108.68	106.00	[illegible]	[illegible]	[illegible]	54.83 (7/6/71)
49 Overseas Traders (13)	280.56	−0.2	13.83	4.12	9.85	9.82	281.06	280.99	281.59	282.17	[illegible]	[illegible]	[illegible]	[illegible]	97.37 (6/1/75)

FIXED INTEREST	Wed. May 12 Index No.	Yield %	Tuesday May 11	Monday May 10	Friday May 7	Thurs. May 6	Wed. May 5	Tuesday May 4	Monday May 3	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	—	13.53	13.52	13.60	13.59	13.68	13.49	13.86	13.95	15.17	[illegible]	[illegible]	[illegible]	[illegible]
2 20-yr. Govt. Stocks (6)	51.03	13.77	51.19	50.87	50.89	50.52	50.17	49.84	49.86	46.91	53.45	47.56	115.42	[illegible]
3 20-yr. Red. Deb. & Loans (15)	51.55	14.43	51.52	51.12	51.09	50.52	50.52	50.57	50.00	46.18	[illegible]	[illegible]	[illegible]	[illegible]
4 Investment Trust Prefs. (15)	50.15	15.80	50.20	49.29	48.62	48.81	48.48	48.48	48.44	41.75	[illegible]	[illegible]	[illegible]	[illegible]
5 Coml. and Indl. Prefs. (20)	68.54	13.93	68.21	67.94	67.67	66.72	66.57	65.87	65.40	57.93	71.97	62.76	[illegible]	[illegible]

Section or Group base dates and base values: [illegible]

† Redemption yield. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 20p. Indices calculated by Exel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	15	393	−7	411	334
Shell Transport	25p	12	432	−2	444	378
BP	£1	11	668	−2	678	575
GKN	£1	11	328	−6	360	266
Brit. Leyland	50p	10	33	+1	36	22
EMI	50p	10	254	−3	277	223
Lucas Industries 'New'	Nil/pd.	10	23½*	−2	26*	23½*
Rank Org.	25p	10	166	−4	195	142
Courtaulds	25p	9	156	−2	169	144
Glynwed 'New'	Nil/pd.	9	22*	—	26½*	22*
Royal Insurance	25p	9	312	−4	352	304
Bowring (C. T.) 'New'	Nil/pd.	8	14½*	−½	17*	8*
Bats	25p	8	390	−5	410	342
Distillers	50p	8	154	—	158	142
GEC	25p	8	163	−2	168	142

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantation	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	[illegible]

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (103)
BRITISH FUNDS (2) · CORPORATION LOANS (1) · COM'WEALTH & AFRICAN LOANS (1) · LOANS (MISCELLANEOUS) (1) · AMERICANS (2) · CANADIANS (3) · BANKS (1) · BEERS (2) · BUILDINGS (2) · CHEMICALS (1) · DRAPERY & STORES (3) · ELECTRICALS (2) · ENGINEERING (7) · FOODS (1) · INDUSTRIALS (24) · MOTORS (1) · PAPER & PRINTING (3) · PROPERTY (1) · SOUTH AFRICANS (1) · TRUSTS (8) · OILS (1) · MINES (10)

NEW LOWS (37)
BANKS (3): Allied Irish, Bk. of Ireland, [illegible]
BUILDINGS (2): Redland, [illegible]
CHEMICALS (1): [illegible]
ENGINEERING (5): [illegible]
FOODS (1): [illegible]
HOTELS (2): [illegible]
INDUSTRIALS (4): [illegible]
INSURANCE (3): [illegible]
MOTORS (1): [illegible]
NEWSPAPERS (1): [illegible]
PAPER (1): [illegible]
PROPERTY (4): Daejan, Land Invest., Law Land, [illegible]
SHIPPING (1): Mersey Dock
TEXTILES (3): Blackwood Morton, Homfray, Caird (Dundee)
TRUSTS (4): Hume Hldgs. 'A', Lamont, Scot. European, New Bridge

Option Report—3-month Call rates

OPTION DEALING DATES First Dealings	Last Dealings	Last Declaration	For Settlement
May 11	May 24	Aug. 5	Aug. 17
May 25	Jun. 8	Aug. 19	Sep. 1
Jun. 9	Jun. 21	Sep. 2	Sep. 14

"Calls" were dealt in Audiotronics, Dunlop, MFI Warehouses, Crane Fruehauf and Stone-Platt, while "doubles" were arranged in Gross. Cash, Burmah Oil and ICI.

Call rates (Industrials, Property, Oils, Mines): [illegible]

MONEY MARKET

Large assistance

Bank of England Minimum Lending rate 10½ per cent. (since April 23, 1976)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave assistance by buying a large amount of Treasury bills from the discount houses. Banks brought forward surplus balances, Government disbursements exceeded revenue payments to the exchequer, and there was a fall in the note circulation. Factors against the market were: a net take-up of Treasury bills, maturing local authority bills held by the authorities, and settlement of very large gilt-edged sales.

Discount houses paid 10-10⅛ per cent. for secured call loans in the early part, and closing balances were taken at 9¼-9½ per cent.

In the interbank market overnight loans opened at 9½-9¾ per cent., and increased to 10 per cent., before easing to 9½ per cent. and closing at 10½ per cent.

Short-term fixed period interest rates tended to ease further, and the three-month sterling certificate yield fell to 9$\frac{11}{16}$-9$\frac{13}{16}$ per cent. from 10-9⅞ per cent.

Rates in the table below are nominal in some cases.

May 12 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ɸ	Bank Bills ɸ	Fine trade Bills ɸ
Overnight	—	9½-10½	—	—	—	10¼	9¼-10⅛	—	—	—
2 days notice	—	—	9¾-9⅞	—	—	—	—	—	—	—
†7 days or 7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

BASE LENDING RATES

Allied Irish Banks Ltd.
American Express Bank
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett, Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Canada Permanent AFI
Cayzer, Bowater Co. Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
C. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Hongkong & Shanghai
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept'cs.
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits 5½%, 1-month [illegible]
† 7-day deposits on sums of £10,000 and under 5½%, up to £25,000 6¼%, over £25,000 6½%.
§ Demand deposit 7%.
‡ Call deposits over £1,000 5½%.

CORAL INDEX
Close 411-416

I.G. INDEX—01-351 3466
GOLD 126¼-129¼

INSURANCE BASE RATES

† Atlantic Assurance
Cannon Assurance
† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy. C.I. 0534 29041

CMF Ltd. April 29	$US20.21	10.47	.....	—
CMT Ltd. April 29	£10.31	10.58	.....	—
Metals Tst. Apr. 15	£12.59	12.90	.....	—
TMT April 8	[illegible]	[illegible]	.....	—
TMT Ltd. April 8	£11.19	11.48	.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

Wrld Wide Gth. Fd.	$US12.13	+0.06	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. ♦ Suspended. ★ Single premium insurance bonds.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

			Graig Ship. £1	320	......	Shiloh Spinn.	24½	......
			Hallam Sleigh 10p	8	......	Sindall (Wm.)	53	......
Albany Inv. 20p	19	......	Higsons Brew.	97	......	**IRISH**		
Ash Spinning	34	......	I.O.M. Stm. £1	135	......			
Bertam	27½	−½	Holt (Jos.) 25p	225	......	Alliance Gas (£1)	65	−5
Bdg'wtr. Est. 50p	145	......	Kleen-e-Ze	22½	......	Carroll (P. J.)	115	−5
Clover Croft	30	......	Lovell's Ship £1	88	+3	Clondalkin	46	......
Craig & Rose £1	327	......	N'thn. Goldsmith	89	......	Concrete Prods.	95	......
Dyson (R.A.)	18	......	P.M.A.	42	+1	Goodbody (£1)	25	......
Ellis & McHdy.	69	......	Pearce (C. H.)	80	......	Heiton (Hldgs.)	27	......
Evans Fr'k. 10p	23	......	Peel Mills	14	......	Irish Distillers	58	......
Evered	10½	......	RobbCaledonSh.	44	−2	Irish Wire	40	......
Fife Forge	45c	......	Sayers 12½p	13	......	Jacob	63	......
Finlay Pkg. 5p	16½	......	Sheffield Brick	87	......	Sunbeam	13½	......
...ron & Reed 50p	152	......	Sheff. Refrshmt.	140	......	Unidare	72	......

LEADERS AND LAGGARDS

The following table shows the percentage changes which have taken place since December 31, 1975, in the principal equity sections of the F.T.-Actuaries Share Indices. It also contains the F.T. Gold Mines Index.

...bers	+ 29.68	Textiles	+ 7.78
...s and Games	+ 28.70	Packaging and Paper	+ 6.97
...rance (Brokers)	+ 26.54	Tobacco	+ 6.96
...	+ 21.21	Wines and Spirits	+ 6.76
...ers and Distributors	+ 19.45	Consumer Goods (Non-Durable) Group	+ 5.77
...ineering (General)	+ 18.84	Mining Finance	+ 4.03
...	+ 16.74	Stores	+ 3.72
...ineering (Heavy)	+ 16.72	Building Materials	+ 3.31
...e Equipment	+ 16.72	Insurance (Composite)	+ 2.36
...hine Tools	+ 16.60	Breweries	+ 2.24
...tricals	+ 15.61	Food Retailing	+ 1.77
...	+ 14.79	Entertainment and Catering	+ 1.14
...sumer Goods (Durable) Group	+ 14.59	Investment Trusts	+ 0.74
...nicals	+ 14.56	Financial Group	+ 0.35
...tronics, Radio and TV	+ 13.57	Banks	− 0.83
...ial Goods Group	+ 11.69	Insurance (Life)	− 2.04
... Purchase	+ 11.00	Property	− 3.13
... Manufacturing	+ 10.50	Discount Houses	− 4.09
...Share Index	+ 10.30	Merchant Banks, Issuing Houses	− 4.68
...seas Traders	+ 10.16	Coppers	− 6.43
...ping	+ 9.76	Contracting and Construction	− 10.41
...strial Group	+ 9.51	Gold Mines FT	− 19.28
...spapers and Publishing	+ 8.49		
...ehold Goods	+ 8.46		
...hare Index	+ 7.92		

* Percentage changes based on Tuesday, May 11, 1976, indices.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1976 High	1976 Low	Stock	£	+ or –	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
99⅜	92⅛	Treasury 6½pc 1976‡‡	99⅛		6.56	9.88
98⅝	98⅝	Victory 4pc 1976‡‡	98⅝		4.04	—
101⅜	99⅛	Treasury 10½pc 1976‡‡	100⅛xd	+⅛	10.45	9.78
98⅛	95⅛	Treasury 6¾pc 1977‡‡	97⅛		6.43	9.82
97¼	94½	Electric 3pc 74-77	95¾		3.13	8.32
103⅛	92⅞	Treasury 11½pc 77‡‡	101⅜		11.31	10.07
94⅛	91⅛	Treasury 3pc 77‡‡	94⅛xd	–⅛	3.18	7.03
94⅛	92¼	Transport 4pc 72-77	94½		4.25	7.95
99⅛	90½	Treasury 9pc 1978‡‡	97⅛	–⅛	9.20	10.24
101½	98⅛	Treasury 10½pc 78‡‡	100⅛		10.47	10.28
93⅛	89⅝	Exchequer 5pc 76-78‡‡	92¾		5.39	8.41
103⅜	100¼	Treasury 11½pc 79‡‡	102⅛	–⅛	11.26	10.53
88⅞	83⅝	Treasury 3pc 79‡‡	88	+⅛	3.41	7.08
89⅛	73⅞	Electric 4¼pc 74-79	89	+⅛	4.77	8.02
100⅛	96⅛	Treasury 10½pc 79‡‡	99¼		10.58	10.74
88⅛	83⅝	Electric 3½pc 76-79	87¾xd		3.99	7.53
96⅜	91	Treasury 9pc 1980‡‡	95⅛	–⅛	9.47	10.55
96½	92⅛	Treasury 9½pc 80‡‡	95⅛xd	–⅛	9.93	10.85
86	82¼	Treasury 3½pc 77-80	84⅞xd		4.12	7.90
88½	71	Funding 5¼pc 78-80‡‡	88½xd	+⅛	5.93	8.65
103⅛	98	Treasury 11½pc 1981	102	–⅛	11.27	10.91
86	80¼	Treasury 3½pc 1979-81	81⅝		4.29	8.23
95⅝	92	Treasury 9¾pc 1981‡‡	95⅛	–⅛	10.20	10.93
		Five to Fifteen Years				
94⅛	86⅛	Treasury 8¼pc 80-82‡‡	94	–⅛	9.32	10.58
107¼	99½	Treasury 12pc 1983‡‡	104	–⅛	11.75	11.53
81⅛	73¼	Funding 5½pc 82-84‡‡	81	–⅛	6.94	9.35
87⅝	79⅝	Treasury 8½pc 84-86‡‡	87½	–⅛	10.85	11.05
74⅞	68⅝	Funding 6½pc 85-87‡‡	71½	–⅛	9.12	11.08
77⅝	71	Treasury 7¾pc 85-88‡‡	77½	–⅛	10.30	11.67
51¼	45⅝	Transport 3pc 78-88	50	–¼	6.13	10.57
59¾	53¾	Treasury 5pc 86-89	56⅛	–¼	8.97	11.56
103¾	96	Treasury 13pc 1990‡‡	103½	–¼	13.10	13.09
75⅞	68¾	Treasury 8¼pc 87-90‡‡	71½xd	–¼	11.42	12.49
60	53⅜	Funding 5¾pc 87-91‡‡	56½	–¼	10.29	12.26
		Over Fifteen Years				
99⅞	87⅝	Treasury 12¾pc 92‡‡	99¾	–⅛	13.30	13.39
97⅞	85⅝	Treasury 12½pc 93‡‡	97¼	–⅛	13.35	13.46
96⅞	91½	Treas. 12½pc 93 'A'‡‡	96¼	–⅛	13.35	13.45
58	50⅝	Funding 6pc 1993‡‡	54½	–¼	11.23	12.70
75⅜	66⅛	Treasury 8pc 94‡‡	71xd	–⅛	12.66	13.21
36½	32⅛	Gas 3pc 90-95	34⅞		8.81	11.76
100	87⅞	Treasury 12¾pc 95‡‡	94¾xd	–½	13.45	13.52
75⅞	66⅜	Treasury 9pc 92-96‡‡	71⅞	–⅛	12.87	13.34
35½	31	Redemption 3pc 1986-96	33¾		8.98	11.56
107⅞	88	Treasury 13¼pc 97‡‡	101¼	–⅛	13.56	13.57
103½	89¼	Do. 13¼pc 97 'A'‡‡	103⅜	–⅛	13.59	13.58
69⅞	64⅞	Treasury 8¾pc 1997‡‡	69¼	–⅛	12.96	13.37
57⅞	50⅛	Treasury 6¾pc 95-98‡‡	54	–¼	12.55	13.27
75½	65½	Treasury 9½pc 1999‡‡	75½	–⅛	13.14	13.41
31½	27¼	Funding 3½pc 99-04	31		11.72	12.68
65	56¾	Treasury 8pc 02-06‡‡	61⅛	–⅛	13.27	13.43
46½	39⅝	Treasury 5½pc 08-12‡‡	43	–⅛	13.08	13.24
60¼	52¼	Treasury 7¾pc 12-15‡‡	60⅛	–⅛	13.40	13.45
		Undated				
30	26½	Consols 4pc	30		13.85	—
27⅞	24⅝	War Loan 3½pc‡‡	26⅜xd		13.18	—
28⅞	25¼	Conv. 3½pc '61 Aft.	27½		12.91	—
23¼	20⅝	Treasury 3pc 66 Aft.	21⅞		13.91	—
19⅝	17	Consols 2½pc	18¾		13.52	—
19½	16⅞	Treasury 2½pc	18¼		13.92	—

INTERNATIONAL BANK

1976 High	1976 Low	Stock	£	+ or –	Yield Int.	Yield Red.
99¼	98¼	8pc Stock 1976	99⅝		8.03	9.33
72½	68½	5pc Stock 77-82	72½	+⅛	7.01	11.54

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

AMERICANS

S.E. List Premium 58¾% (based on $1.8390 per £)

Conversion factor 0.6212 (0.6374)

CANADIANS

S.E. List Premium 58¾% (based on $1.8000 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	350	Blyvoor 25.	530	−30	‡Q100c	1.3	‡
£14	785	Buffels R1.	£10½	−½	Q180c	1.4	10.2
198	95	Deelkraal R0.20	155	+7	—	—	—
760	330	Doornfontein R1	420	−15	‡Q110c	1.4	‡

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
70	42	Botswana RST R2	62	..	—	—	—
335	170	Messina R0.50	290	..	Q35c	1.9	7.2

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mine 17½p	9	..	0.1	ϕ	1.6
39½	23	Charterhall 5p	28½	..	—	—	—
965	580	Cons. Murch 10c	910	−10	Q80c	1.8	5.2
50	28	Laurasia	46	−1	—	—	—
455	245	Northgate C$1	380	−5	Q25c	0.3	3.4
239	178	R.T.Z.	231xd	−1	5.42	2.1	3.6
112	85	Sabina Inds. C$1	92	+3	—	—	—
£13¼	£10	Tara Expln. $1	£13 1/16	−1/16	—	—	—
132	88	Yukon Cons. C$1	132	..	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- ■ Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ø Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✤ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 25

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FINANCIAL TIMES
Thursday May 13 1976

Icelanders fire 4 shots at trawler

BY MALCOLM RUTHERFORD

IN POTENTIALLY the *most* serious incident in the Cod War so far, the Icelandic patrol boat Aegir yesterday fired four shots in the direction of the British trawler Primella, then unsuccessfully launched a boarding party.

For the first time in the war, one of the shots was live.

An immediate warning of retaliation came from a British Nimrod reconnaissance aircraft, though it seems this was misinterpreted by the Icelanders as meaning that the aircraft itself would open fire.

The Nimrods are unarmed and in London, a Ministry of Defence spokesman said the *warning referred to future* action that might be taken by British frigates.

The incident occurred after the Primella and three other trawlers had left the main fleet off the east coast of Iceland and moved to the west. There was therefore no naval protection available.

According to the Icelandic coast guard, the Primella ignored an order from the Aegir to stop fishing and prepare for boarding and arrest. The Aegir then launched the boarding party, but the Primella escaped because of its superior speed.

The Aegir fired three shots across the bows of the Primella and one across the stern. One of the shots was said by the Icelanders to have been live.

The Nimrod then appeared on the scene and issued its warning about the possible consequences. This was taken by the coast guard as a direct threat to the Aegir

Last night, the Primella and the three other trawlers were reported to be moving back to join the main fleet. The British frigate Lowestoft and a civilian protection vessel were sent to meet them.

In London, Mr. Patrick Duffy, Minister for the Navy, told the House of Commons that the *Ministry of Defence* was "urgently considering" what action should be taken.

Mr. Duffy was speaking during the Navy debate which *produced some Conservative* criticism of the Government's handling of the Cod War.

Mr. Ian Gilmour, "shadow" Defence Minister, spoke of the "*bluster and blunder*" *of Mr.* James Callaghan, the Prime Minister, when he had been Foreign Secretary.

There was no satisfactory explanation, however, of why the Primella had left the main trawling fleet and the naval protection that goes with it.

● The French ambassador in Reykjavik had made representations to the Icelandic Government on behalf of Britain about the action of the Aegir, Mr. Duffy said later.

"His preliminary report suggests the Icelanders now consider the incident closed."

Parliament, Page 15

Most U.K. workers want part of profits

BY LORNE BARLING

MOST British workers grossly overestimate th elevel of profits; they also believe they should have a share of those profits, according to a survey by the Confederation of British Industry.

Workers and management are highly critical of the performance of British management, according to the survey, which *covered a sample of 1,264* respondents. Only 8 per cent. of all employees believe that "profit is a dirty word."

The CBI said yesterday that *the survey indicated* a widespread failure of companies to make their objectives and activities known to employees and urged that more time and money be allocated to this end.

The average employee appeared to believe in the free enterprise system, was reasonably satisfied with his job and was not opposed *to paying dividends to share*holders. But he also believed he could do more work without too much effort.

In some ways management and *workers had similar views.* But their impressions of each other showed serious misconceptions, particularly in what each expected the other to do.

Involvement

The survey is part of a research programme being carried out by the Confederation with the intention of making companies give additional information to employees and involve them more in the running of their companies.

It was felt that too many companies embark on policies without knowing what their employees wanted, and would bene*fit from more intense research.*

One significant finding about the workers' attitude to his company was response to a question about job security. Seventy per cent. of workers believed their security depended on giving a fair day's work for a fair day's pay. Less than 30 per cent. depended upon their union.

The willingness of many workers to undergo re-training for a change of job apparently was underestimated by managers —who are fairly accurate at guessing employee responses generally—although they overestimated pay and job security.

Eighty-six per cent. of workers tend to support trends in participation, believing that productivity can be increased by giving them a share of the profits, although 61 per cent. had no idea of how much profit their company made.

Details Page 10

Ford's troubles deepened by Nebraska loss

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 12.

PRESIDENT FORD'S political troubles deepened yesterday *when he was comfortably* defeated, by 55 per cent. to 45 per cent., by Governor Ronald Reagan in the Republican primary in Nebraska, often *described as the most orthodox* Republican State in the Union.

Mr. Ford took some consolation from his victory in West Virginia by a 57 per cent. to 43 *per cent. margin.* But neither candidate had campaigned there, whereas in Nebraska, with both sides redoubling their efforts, Mr. Reagan was able to make nonsense of the forecasts a few weeks ago that Mr. Ford would win handily.

Nebraska also produced an unpleasant surprise for the Democratic frontrunner, Mr. Jimmy Carter, who went down to a narrow 39-38 per cent. defeat at the hands of Senator Frank Church from Idaho.

This was the liberal Senator's first primary. Though much in the public eye recently because of his investigations into U.S. corporate bribery and U.S. intelligence activities, he professed himself amazed at the result.

In West Virginia, the local Democratic Senator, Mr. Robert Byrd, was returned as a "favourite son" against no formal opposition.

In the Connecticut delegate selection process, the first stage of which was held yesterday, Mr. Carter won only a modest victory over Congressman Morris Udall from Arizona by 33 to 31 per cent. Mr. Church and Mr. Udall, both liberals, had agreed to leave the field in Nebraska and Connecticut clear to each other so as to combat Mr. Carter.

Critical

Next week's primaries in Michigan and Maryland loom as critical for both Mr. Ford and Mr. Carter.

Mr. Carter takes on Mr Udall again in Michigan and ought to beat him, but he may run foul of Cailifornia Governor Jerry Brown's charismatic popularity in Maryland.

His problems, however, remain small in comparison with those of the President. If Mr. Ford does not win his home State of Michigan, his lease on the White House is probably over.

Even his campaign manager dropped his habitual confidence last night. *Previously he said* that Mr. Ford would have things sewn up before the convention in August, but now he is saying that if Mr. Ford loses Michigan, there will be a floor fight at the convention in Kansas City.

The Nebraska auguries are not good for the President. The primary there was closed and Mr. Reagan was not able to benefit from the support of conservative Democrats voting in the Republican election. Yet his incessant criticism of Mr. Ford's *foreign and defence policies, allied to discontent among* Nebraska's farmers with the Administration's agricultural policies, were clearly much more effective among average Republicans than the President's new, more dignified campaign strategy.

Delegates

In Michigan, the themes will undoubtedly be the same but there cross-over voting is permitted. Mr. Ford left for the State this morning and is going to be spending much of the next week there, even having recourse to that old-style campaign vehicle, the whistle-stop train tour beloved of Franklin Roosevelt and Harry Truman.

Mr. Ford dropped an immediate hint of his tactics in Detroit to-day. "I want every person in the State of Michigan who identifies with my philo*sophy to vote for me,*" *he said,* "whether they call themselves Republican, Independent or Democrat."

The feeling persists that Mr. *Ford's efforts have lost all sense* of direction.

Yesterday's primaries did not markedly change the delegate count. Mr. Reagan apparently *won 18 delegates* in Nebraska to Mr. Ford's seven, while in West Virginia the 28-strong delegation, according to State law, is uncommitted. The President picked up a handful of delegates in caucuses in Missouri, but still trails his opponent.

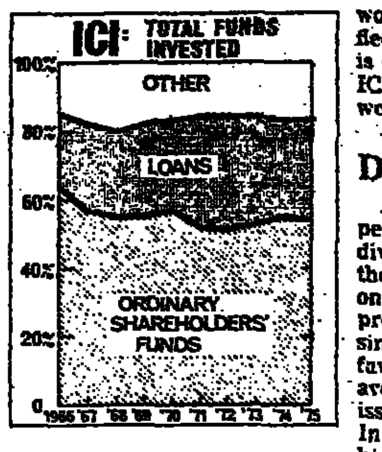
The Washington Star's scorecard gives Mr. Reagan 427 delegates to date, Mr. Ford 362, with 395 uncommitted. A total of 1,130 are needed for nomination.

The stop Carter campaign Page 5

THE LEX COLUMN

Because it's there . . .

Index fell 4.3 to 412.9



The money is available now, *so ICI has decided to take it* while it is there rather than run the risk of waiting until the autumn or into 1977. Immediately after the one-for-eight rights issue at 330p, ICI's balance-sheet will be more conservatively financed than at any time since the end of the 1960s—and it will have a net £400m. of liquid assets. However, it does look as though it is becoming more difficult for ICI to finance itself out of cash generated from trading.

In the past five years the group's net cash flow has exactly matched its fixed asset and working capital requirements, a figure of just under £1.5bn. But the cost of chemical plant has more than doubled in that period and so has ICI's *capital spending,* which is expected to top £400m. this year. In addition ICI seems to be implying a need for approaching £300m. of extra working capital in 1976, an increase of well over a quarter. Its cash flow is rising substantially, but could still fall perhaps £150m. short of the year's £700m. overall requirement.

Chemicals cycle

So the rights issue can either be regarded as an insurance premium against the possibility that profits will not rise enough during the current chemicals cycle to allow sufficient cash generation, or as a means for ICI to accelerate its rate of capacity expansion. It does not, however, appear to reflect a conscious shift to a policy of lower gearing. Although the document draws attention to the fact that loans have risen from 15 to 29 per cent. of capital employed since 1965, the proportion has in fact been declining since 1971. If allowance is made for inflation the gearing works out significantly lower—on the company's own CPP basis the long-term gearing is only 21 per cent. and a Sandilands-type balance-sheet would probably give a similar picture.

There is nothing unusual about ICI's current gearing by the standards of other international chemical groups: it is higher than Du Pont's 17½ per cent., *exactly in line with the* Monsanto figure, and well below Dow's 36 per cent. But although ICI was prepared to raise £40m. at the end of 1970 at what then looked like a prohibitive coupon of 10¾ per cent., it is not prepared to contemplate the current U.K. rate for long term borrowings, whatever that may be.

Other major chemical companies have followed a similar course, both Hoechst and Bayer for instance, having embarked on rights issues in the past 12 months. For ICI the issue will also open doors for additional foreign currency borrowing—the £200m. will have to stay in the U.K.—and incidentally cannot harm its North Sea financing negotiations which are close to fruition. The rights document discloses that the group has already issued loan capital of £24m. this year and another £64m. is currently being arranged.

So *ICI is simply following its* normal course of taking the money when it is available. From the shareholders' point of view it may be argued that not enough distinction is being made between the merits and cost of equity capital and debt, particularly in an inflationary climate. But this is a successful company achieving real growth and as such is a deserving home for new funds.

Thus the first quarter figures confirm that the recovery which got under way in the fourth quarter of 1975 has extended *strongly through the first three* months of this year. Profits before tax are £115m. for January-March which, excluding the effects of currency changes, is £22m. more than in October-December. Volume is continuing to rise, especially in overseas markets, and although the group is still losing money in some areas — notably U.K. fibres — profits targets for the full [illegible] *must now extend to well* [illegible] £500m. pre-tax against £327m. [illegible] 1975 and the 1974 peak [illegible] £455m. The scale of the [illegible] working capital projections [illegible] flects the way that the [illegible] is developing a little faster than ICI was expecting only a few weeks ago.

Dividend rise

At the same time ICI has permission for a 25 per cent. dividend increase which take the yield up to 5.9 per cent. on an ex rights basis and the prospective p/e—well down into single figures — also compare favourably with the market averages. As things stand, the issue is bound to be a success. In fact this is precisely the *kind of issue — representing* low percentage of the pre-rights capitalisation of a very high quality company — which need not have involved the "services" of underwriters. With a [illegible]-for-four at half the price ICI could still have made a [illegible] increase in the nominal dividend and raised the same [illegible] amount of money at the [illegible] dividend cost. This would [illegible] saved something like [illegible] which makes yesterday's [illegible] look more like a gift for the City than a triumph.

As for the wider market implications, the £200m. [illegible] clearly relates to what [illegible] bankers thought the City could provide at a time when rough[illegible] £150m. of earlier rights [illegible] have yet to be completed. [illegible] perspective, cash flowing [illegible] the institutions is pro[illegible] £400m.-£450m. a month of [illegible] something like a quarter [illegible] *have been finding its way* [illegible] equities. Since the institutions have also started buying gilts once more on a large scale (the Government broker was active again yesterday) this issue [illegible] going to take some digesting. Holders of ICI may be tempted to look through their portfolios to see what they can weed out in order to take up their rights.

See also Page 22

SE Benevolent Fund

Members are reminded [illegible] the collection for the [illegible] Exchange Benevolent Fund closes at 4 p.m. on Friday [illegible] 14, and it would be greatly appreciated if subscribers [illegible] send in their cheques [illegible] covenant payments as soon as possible.

Wording of pay deal agreed by TUC

BY CHRISTIAN TYLER, LABOUR STAFF

THE FINAL wording of the TUC-Government bargain on pay restraint in return for tax cuts, *to be put to a special congress* of the TUC next month, was agreed yesterday on the eve of a crucial decision by leaders of the country's 250,000 miners.

A *document* — approved *after* some redrafting by the TUC economic committee yesterday — makes clear that the TUC is not expecting further Government *concessions now as the price of* recommending another 12 months of wage restraint from August.

Instead it rehearses the *Labour Government's past* achievements on the social contract and calls for continued discussion on prices, employment, pensions and investment.

Talks on price *control* will resume in the next few weeks. Yesterday Mr. Len Murray, TUC general secretary, said the Price Code must continue through the *next phase of wage restraint, and* might even have to be strengthened.

Pithead ballot

He *said* the unions would vigorously oppose major changes to the Code, such as proposed by the CBI, but he conceded that minor modifications might be *necessary to protect investment* and jobs.

The TUC document will be published next week.

Meanwhile, the success of the £2.50-to-£4 pay limit could be affected by a decision expected to be taken in London to-day by leaders of the Ntaional Union of Mineworkers.

Moderates on the union's national executive are hoping to secure a pithead ballot on the new guidelines, which could be completed before the special Congress on *June 16.* They calculate that miners will repeat the backing they gave to the £6 pay limit in a ballot last autumn.

If the issue goes to the NUM delegate conference in July, however, as Left-wingers want, there is a far greater chance of the deal being thrown out and last year's "target" pay demand for faceworkers' wages to be brought up to £100 a week—a rise of £33 —adopted for negotiations early next year.

Such a decision, although well in advance of miners' pay talks, would affect the attitudes of many other workers to wage restraint.

Labour Ministers' confidence in the wake of the bargain with TUC leaders was evident again yesterday when Mr. Albert Booth, Employment Secretary, said praise for the Government and unions was coming from the Tory Press at home and from newspapers in many countries abroad.

In London the Confederation *of Health Service Employees'* national executive decided to vote for the deal at next month's Congress, although expressing anxiety about the lack of a parallel agreement on price control.

Continued from Page 1

Grimond

replied: "One of the dangers of having back an old leader is that he plays the old gramophone *records.*"

As Mr. Grimond announced his decision yesterday, Sir Harold Wilson, former Prime Minister, called on MPs to fight back against "a conspiracy of anti-democratic and anti-progressive forces" which threatened to undermine the position of prominent politicians and parties.

Speaking at a Parliamentary Press Gallery luncheon, Sir Harold said that in recent years "an underground and well-heeled organisation" had not scrupled to use any weapon against the British politicians and parties of whom it disapproved.

"Slush money was available in *almost unlimited quantities for* this purpose. How much of it was flowing at any particular time and in which direction it flowed, we may never know. I hope we shall."

Sir Harold said that the role of the foreign Press—"and I am not referring exclusively to South Africa"—should be investigated.

Chairman and Board of Equity Bank named

BY MARGARET REID

THE CONTROVERSIAL equity bank, plans for which are being launched to-day, will have an impressive array of directors from industry and the City, including Sir Jack Callard, former chairman of ICI, and two other senior directors of major industrial groups.

As widely expected, Lord Plowden, who is about to retire as chairman of Tube Invest*ments, is to be chairman of* the bank, named Equity Capital for Industry, which is intended to channel capital to companies unable to raise it on the stock market.

Among the other prominent industrialists joining the Board are Mr. Trevor Holdsworth, deputy chairman of Guest Keen and Nettlefolds, and Mr. Anthony Stenham, finance director of Unilever.

Mr. John Rodgers, deputy chairman of the Swiss-controlled *pharmaceuticals company,* Ciba Geigy, and Mr. Alfred Singer, managing director of National Giro — and a former finance director of Tesco Stores (Holdings) — will also be directors.

Although Equity Capital is intended to have a 13-man Board, only 12 names are being announced at present. The final member will be the chief executive, who has not yet been chosen.

It is thought that somebody was in view for this post, but that, with the delay which has occurred in completing plans, it was not possible to make the appointment originally thought of.

The extensive high-level support accorded to the enterprise is also reflected in the names of its directors from the City, who include Mr. Anthony Touche, chairman of Touche Remnant, from the investment *trust world;* Mr. "Tim" Simon, chairman of Target Unit Trust group, and Lord Seebohm, chairman of Finance for Industry.

As widely reported already, Mr. *Ernest Bigland, chairman of* the British Insurance Association, Mr. Peter Moody, joint secretary of Prudential Assurance, and Mr. Leonard Hall, general *manager* of Clerical, Medical and General Life Assurance, will also be directors.

Equity Capital, whose creation has provoked a substantial split *of opinion within the ranks of* investing institutions, is to have a capital of up to £50m., to which participating institutions will be asked to subscribe by June 21.

Although some institutions, most recently Sun Life Assurance, have said they will not subscribe, regarding the new body as not needed, it is now expected that the venture will command a wide range of backing. It will proceed if, as seems certain, subscriptions total at least £30m.

EEC talks in Japan on bearings exports

BY DAVID CURRY

BRUSSELS May 12.

THE threat to the European ball-bearing industry from increased Japanese shipments, without a compensating growth in Community sales to Japan, will be raised by Common Market senior *officials with the Japanese in* Tokyo next month.

On June 10 the next round in the regular twice-yearly series of consultations between the two sides takes place at senior official level. The ball-bearing threat will be added to complaints about cut-price tendering of Japanese shipyards levelled by *European shipbuilders as the* two main sectorial items on the agenda.

An assurance that the ball-bearing issue will be raised in Tokyo is likely to be the Commission's response to the delegation from the Common Market ball-bearing industry which will be in Brussels on Friday to complain about the effect of soaring Japanese exports. Representatives from the U.K. and Germany (the two worst affected countries). France and Italy are claiming that the Japanese are pursuing a deliberate policy of pricing below European competitors and at 25-40 per cent. below market price.

The Commission is expecting a request for a Community-wide quota from the European industry, but this will certainly be politely refused. The Commission, which has devoted consider*able energy recently to telling* the Americans that it would not be permissible to impose quotas on special steels and other EEC exports under investigation, is not in a position, nor in the mood, to accede to requests for Community quotas.

It is likely to point out that bilateral negotiations, though *often tortuous, have been* producing results in disputes with Japan.

It will have a fortunate weapon to hand in to-day's agreement in Tokyo between Commission negotiators and the Japanese Transport Ministry on car testing.

The Commission is also likely to point out that it was able to reach agreement with Tokyo on the informal control of steel shipments to Europe at the height of the 1975 industry recession.

On the other hand, shipbuilding remains a problem and Brussels is worried by the growing trade imbalance between Japan and the EEC.

Last year, the Japanese had a surplus on trade with the Community of $2.4bn., according to Japanese figures and nearly $1bn. more than that according to EEC statistics.

In the first three months of this year, Japanese figures put the Japanese surplus already at some $690m. Japan claims that *her deficit on invisibles offsets* a good deal of this, but as this includes payments for raw materials to the London commodity markets, the Commission regards the argument as unconvincing.

Manufacturers' arguments, ...Page 4

Continued from Page 1

Callaghan asserts right

fundamentally from Government policy — the level of public *expenditure* (the NEC's proposals, according to the Treasury, would add between £4bn. and £5bn. to current estimates by 1980); industrial policy; defence policy *and overseas investment.*

Persuasion rather than coercion was the way to achieve industrial regeneration and investment, Mr. Callaghan said. He made it clear that the Labour Party was still a long way from drawing up its next election manifesto, when the views of the trade unions and the Parliamentary Labour Party would also have to be considered.

He warned the committee that more had to be taken into account in drawing up an election *manifesto when* Labour was in Government than Opposition. Long term aims had to be reconciled with immediate realities.

He *criticised* the NEC document for not listing an order of priorities. It was not a programme a Labour Government could implement in five years.

In an attempt to find a solution to the *perpetual tension* between the Left-wing dominated NEC and the Government, Mr. Callaghan accepted a suggestion from Mr. Benn that where the *Government's policy disagreed* fundamentally from the NEC's views it should appear in a separate Government statement published alongside the NEC document.

Mr. Benn, who was publicly warned by the Prime Minister two weeks ago that the convention of collective responsibility *had to be maintained at all times* by Government ministers, told yesterday's meeting: "Loyalty to the Government should not be used to blank out this debate; nor *should the debate be artificially* sharpened into an appearance of confrontation that might endanger the Government."

Confusion could be avoided by *making it clear when aspects of* NEC policy differed from the Government's immediate aims, which sections should be treated as mid-term policy and which could be considered suitable for *inclusion in the next election* manifesto, Mr. Benn said.

On contentious matters such as import controls and the level of public spending there should be *closer consultation between the* NEC and Ministers. The TUC-Labour Party liaison committee should also be involved.

Labour's Programme 1976, *when compiled after the Party* conference in the autumn, should contain a statement of present Government policy alongside proposals put up by the NEC *home policy committee.*

Mr. Roy Mason, Defence Secretary, put in a paper arguing against Left-wing demands for further defence cuts totalling *£1bn.*

The executive will meet again next Wednesday to complete its study of the Home Policy Committee document. Final details *will be settled at a further meet*ing on May 26 and the document will be published two days later in Labour Weekly.

Weather

U.K. TO-DAY
Sunny periods. Showers.

London, S. England, S. Wales, Channel Is., Midlands
Sunny periods. Becoming cloudy with occasional rain. Wind N.W., fresh or strong, backing S. Max. 15C (59F).

E. Anglia, E. England
Showers. Sunny intervals. Becoming dry. Wind N.W., fresh or strong, becoming S., moderate. Max. 15C (59F).

N. England, N. Wales, Lakes, Scotland, N. Ireland, Is. of Man
Showers at first. Sunny periods. Wind N.W., backing S. Max. 14C (57F).

Outlook: Changeable.

Lighting-up: London 21.12, Manchester 21.29, Glasgow 21.48, Belfast 21.49.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Alexandria	F	25	77	Madrid	S	22	72
Amsterdm.	C	11	52	Manchstr.	F	9	48
Athens	F	19	66	Melbourne	C	13	55
Barcelona	S	19	66	Milan	S	23	73
Beirut	F	23	73	Montreal	C	13	55
Belfast	H	6	43	Moscow	C	16	61
Belgrade	F	22	72	Munich	F	15	59
Berlin	F	18	64	Newcastle	C	8	46
Birmghm.	F	12	54	New York	S	15	59
Bristol	F	12	54	Oslo	F	13	55
Brussels	C	16	61	Paris	C	17	63
Budapest	S	24	75	Perth	S	22	72
B. Aires	S	18	64	Prague	C	15	59
Cairo	S	31	88	Reykjavik	F	7	45
Cardiff	S	11	52	Rio de J'o	C	26	[illegible]
Cologne	C	16	61	Rome	S	20	68
Copenhgn.	F	12	53	Singapore	S	36	97
Dublin	C	10	50	Stockholm	C	15	59
Edinb'rgh	C	10	50	Strasbourg	F	19	66
Frankfurt	C	19	66	Sydney	S	18	64
Geneva	F	18	64	Tehran	S	21	72
Glasgow	C	9	48	Tel Aviv	F	23	73
Helsinki	S	22	72	Tokyo	C	19	66
H. Kong	C	25	78	Toronto	S	9	48
Jo'burg	C	23	73	Vienna	S	20	68
Lisbon	S	24	75	Warsaw	S	23	73
London	C	13	55	Zurich	F	16	61
Luxemb'g	F	15	59				

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	S	19	66	Istanbul	F	19	64
Algiers	S	22	72	Jersey	C	12	54
Biarritz	F	14	57	Las Plms.	C	19	66
Blackpool	C	10	50	Locarno	C	21	70
Bordeaux	C	16	61	Luxor	S	40	104
Boulogne	R	10	50	Majorca	S	22	72
Casablnca.	C	19	66	Malaga	F	21	70
Cape Tn.	C	19	66	Malta	F	19	66
Corfu	C	19	66	Nairobi	C	20	68
Cyprus	F	24	75	Naples	S	21	70
Dubrovnik	F	19	66	Nice	F	19	66
Faro	C	22	72	Oporto	F	22	72
Florence	C	18	64	Rhodes	F	22	72
Funchal	C	15	59	Salzburg	C	16	61
Gibraltar	C	17	63	Tangier	F	21	70
Guernsey	C	11	52	Tenerife	C	12	54
Innsbruck	C	15	59	Tunis	S	21	70
Inverness	C	11	52	Valencia	S	21	70
I. of Man	F	10	50	Venice	R	23	73

S—Sunny. F—Fair. C—Cloudy. R—Rain. H—Hail.

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هكذا من الأصل